

by DENYS SUTTON, Editor of Apollo

London Microfilm Centre
Gordon House, 10 Greencoat Place

WORLD TRADE NEWS

Japan may exchange steel for Chinese oil

By Charles Smith

TOKYO, Jan. 12. CHINA MAY buy an additional 2m. tons of Japanese steel products this year (in addition to "normal" purchases of around 3m. tons) as part of a package deal whereby Japan, in turn, would step up imports of Chinese oil to 10m. tons.

This proposal provides the background to a mission which leaves for Peking tomorrow under the leadership of Mr. Yoshihiro Inayama, the chairman of Japan's largest steel company, Nippon Steel, Mr. Inayama, who was in China last year to discuss oil and steel, has made a name for himself as one of the leading proponents of sharply increased Japanese imports of Chinese oil.

A much less enthusiastic view of the China oil trade is taken by the Japanese refining industry and by electric power generating companies who are among the major potential consumers. Chinese oil is relatively dear and has a high wax content which creates processing problems in Japan. For these reasons, and because Japan's oil needs are at low levels in any case, the refining industry has recently been arguing that Chinese oil imports this year should be held to the 1975 level of around 8m. tons.

The Inayama plan to trade off a 2m. increase in oil imports this year against a special sale of Japanese steel products to China apparently has the blessing of the Ministry of International Trade and Industry (MITI) which is deeply interested in expanding trade with China and in diversifying Japan's sources of oil. MITI is also in a position to exert leverage on the oil industry since the Ministry is in the process of sponsoring a series of mergers in the industry which would be backed by special loans from official sources.

Maruzen Oil, a company which is facing severe liquidity problems and which could be involved in the MITI merger plan, has expressed interest in installing some of the special equipment which would be required to process China oil.

U.K. mission to Cuba

Financial Times Reporter

A LONDON Chamber of Commerce and Industry mission leaves London on January 17 for a seven day visit to Cuba. Organised in conjunction with the British Overseas Trade Board, the mission led by Lord Ebbisham, a Vice-President of the Chamber, will endeavour to boost bilateral trade and identify future opportunities at a time of rapid development in the Cuban economy.

The 30 man mission, which includes representatives of Head Wrightson, Pye, Schroder Wagg, Plessey, Deca, GEC, BP, Perkins Engines, Sir William Halcrow and the Booker McConnell Group, strongly reflects priority sectors designated in the country's recently published first five year development plan.

Identifying the sectors offering best prospects for the U.K. at a recent Chamber seminar on Cuba, Trade Minister Peter Shore said that Britain "was very anxious indeed" to co-operate in developing the Cuban economy. The opportunities Mr. Shore mentioned are in the development of the basic infrastructure with particular reference to ports and communications and the re-equipping of the sugar industry and associated irrigation works.

British exports to Cuba increased appreciably in 1975, reaching £26.5m. at the end of November compared to £22.9m. in the corresponding period of 1974.

Business with Brazil

A MAJOR conference, "Business with Brazil," at which leading Ministers, industrialists, and businessmen from Brazil and elsewhere will examine the prospects of the various industrial sectors and analyse the scope for companies from abroad, is being organised by the Financial Times. It will be held in Rio de Janeiro on March 10 and 11, 1976.

Brazilian Ministers will discuss policies for dealing with the immediate difficulties of the economy also outlining their strategies for the future. They will be joined by Ministers and leading businessmen and financiers from Europe, Saudi Arabia, Malaysia and Japan, presenting their own assessment of Brazilian finance and business opportunities.

The conference is being co-sponsored by Varig Brazilian Airlines and the Investors Chronicle.

Iran may block Turkish credit over transit dues

BY ROBERT GRAHAM

TEHRAN, Jan. 12.

TURKEY'S DECISION to raise truck transit dues and impose new fees has aroused strong opposition here. Iran is reported to be blocking utilisation of a \$12bn. credit package agreed with Turkey two months ago.

The extra dues and new fees have been in operation since January 2 and were introduced apparently without prior consultations.

All trucks now transiting Turkey have to pay a fuel differential tax of 75 Turkish Kurush (100m. = 1,000 Kurush). This is to compensate the Turkish Government for its subsidy on petrol. In addition those countries with transit agreements will have the transit fee raised from 9 Kurush to 25 Kurush per ton/km. For those countries without a transit agreement, which Iran is one, the transit fee has been raised to 40 Kurush per ton/km.

Finally the old flat fee for "return" trucks, which was about the equivalent of \$30, has been altered to a new fee of Turkish Lira 1.5 per kilo.

From the European border through Turkey to the Iranian border is just over 1,900 km. Iranian trucking companies reckon that the cost of bringing a 22 ton truck from Europe to Iran will run from \$250 to \$1,250. This includes the return journey which could add a further \$250.

This land route has become increasingly important to Iran as its congested ports have been unable to handle import demands. In 1974, 800,000 tons of goods reached Iran this way, and in 1975 the figure will probably be 1.2m. tons (9 per cent. of all imports). Some Iranian exports like cotton and dried fruit are also affected.

When Iran granted Turkey \$1.2bn. worth of credit in November, the bulk was intended for Turkish infrastructural improvements, and were conditional on agreement being reached on transit arrangements. These funds are now reportedly blocked. Seemingly inspired articles in the local Press have said Parliament cannot approve the fund under the present circumstances.

The Turkish move has also speeded up Iranian efforts to find alternative routes for its imports. Agreement has just been reached in principle with Iran and Syria on truck and rail routes through the Mediterranean ports of Latakia and Tartous. However, the Turkish route has become so useful that it would be difficult for the Iranians to ignore it.

Indeed, there is a certain irony in the way the Iranians have protested at Turkey's raising of these transit dues when Iran itself dismissed Western protests over the raising of the price of oil.

been reached in principle with Iran and Syria on truck and rail routes through the Mediterranean ports of Latakia and Tartous. However, the Turkish route has become so useful that it would be difficult for the Iranians to ignore it.

Indeed, there is a certain irony in the way the Iranians have protested at Turkey's raising of these transit dues when Iran itself dismissed Western protests over the raising of the price of oil.

been reached in principle with Iran and Syria on truck and rail routes through the Mediterranean ports of Latakia and Tartous. However, the Turkish route has become so useful that it would be difficult for the Iranians to ignore it.

Indeed, there is a certain irony in the way the Iranians have protested at Turkey's raising of these transit dues when Iran itself dismissed Western protests over the raising of the price of oil.

been reached in principle with Iran and Syria on truck and rail routes through the Mediterranean ports of Latakia and Tartous. However, the Turkish route has become so useful that it would be difficult for the Iranians to ignore it.

Indeed, there is a certain irony in the way the Iranians have protested at Turkey's raising of these transit dues when Iran itself dismissed Western protests over the raising of the price of oil.

been reached in principle with Iran and Syria on truck and rail routes through the Mediterranean ports of Latakia and Tartous. However, the Turkish route has become so useful that it would be difficult for the Iranians to ignore it.

Indeed, there is a certain irony in the way the Iranians have protested at Turkey's raising of these transit dues when Iran itself dismissed Western protests over the raising of the price of oil.

been reached in principle with Iran and Syria on truck and rail routes through the Mediterranean ports of Latakia and Tartous. However, the Turkish route has become so useful that it would be difficult for the Iranians to ignore it.

Indeed, there is a certain irony in the way the Iranians have protested at Turkey's raising of these transit dues when Iran itself dismissed Western protests over the raising of the price of oil.

been reached in principle with Iran and Syria on truck and rail routes through the Mediterranean ports of Latakia and Tartous. However, the Turkish route has become so useful that it would be difficult for the Iranians to ignore it.

Indeed, there is a certain irony in the way the Iranians have protested at Turkey's raising of these transit dues when Iran itself dismissed Western protests over the raising of the price of oil.

been reached in principle with Iran and Syria on truck and rail routes through the Mediterranean ports of Latakia and Tartous. However, the Turkish route has become so useful that it would be difficult for the Iranians to ignore it.

Indeed, there is a certain irony in the way the Iranians have protested at Turkey's raising of these transit dues when Iran itself dismissed Western protests over the raising of the price of oil.

been reached in principle with Iran and Syria on truck and rail routes through the Mediterranean ports of Latakia and Tartous. However, the Turkish route has become so useful that it would be difficult for the Iranians to ignore it.

Dutch gravely concerned

BY MICHAEL VAN OS

AMSTERDAM, Jan. 12.

DUTCH ROAD transporters today expressed grave concern at the announced big increase in the Turkish transit taxes and the introduction of a surcharge on fuel for lorries crossing the country.

Dr. Michel van Hulten, Dutch State Secretary at the Transport Ministry, who was in Turkey immediately after the enforcement of the new Turkish measures, said at a Press conference here that Holland would have to abide by the new rules but that there had to be negotiations first as a bilateral agreement was in force until mid-June this year.

He implied, however, that although he could "understand" Turkey's problems, Holland and other countries had been moved into a position where there was little alternative but to accept the demands. "If we don't, there may be quotas on transit lorries, and we cannot afford to run that risk," he said. It is understood that the tax levies are to be paid by the lorry drivers on leaving the country, while returning empty lorries will also pay a surcharge.

The number of Dutch lorries involved is thought to be about 5,000 a year.

In addition, Dr. Van Hulten said that besides the road transit levy based on the number of kilometres driven in Turkey (assuming the goods destination was not that country) the new fuel charge would raise the lorries average fuel bill by one and a half times.

The State secretary said at a Press briefing at Schiphol Airport after his Middle East tour during which he had studied the general problems confronting Dutch road and waterway transport that according to the figures given to him in Turkey, the number of lorries crossing that country had risen to about 50,000 a year. As a result of the increased traffic, costs can be expected to rise. The country's roads had risen to Fl.35bn. annually, he said, adding that Turkey's road problems had increased steeply in the last few years as a result of the increased Middle East demands for goods and products.

The main transport corridor on route to the area by road.

largest port, which adjoins Canton, five new deep-water berths for 10,000-ton ships and seven for 7,000-ton ships, put into operation at the end of 1975. New roads and railways have also been built.

Large-scale harbour extension is reported at half a dozen other major ports, including Tientsin and Tallen. New berths, warehouses, fuel depots, rail yards, road and repair docks are included in the project. All these new facilities should help to iron out some of the bottlenecks in transport which hampered the expansion of the Chinese economy 18 months ago.

At Whampoa, South China's largest port, which adjoins Canton, five new deep-water berths for 10,000-ton ships and seven for 7,000-ton ships, put into operation at the end of 1975. New roads and railways have also been built.

Large-scale harbour extension is reported at half a dozen other major ports, including Tientsin and Tallen. New berths, warehouses, fuel depots, rail yards, road and repair docks are included in the project. All these new facilities should help to iron out some of the bottlenecks in transport which hampered the expansion of the Chinese economy 18 months ago.

At Whampoa, South China's largest port, which adjoins Canton, five new deep-water berths for 10,000-ton ships and seven for 7,000-ton ships, put into operation at the end of 1975. New roads and railways have also been built.

Large-scale harbour extension is reported at half a dozen other major ports, including Tientsin and Tallen. New berths, warehouses, fuel depots, rail yards, road and repair docks are included in the project. All these new facilities should help to iron out some of the bottlenecks in transport which hampered the expansion of the Chinese economy 18 months ago.

At Whampoa, South China's largest port, which adjoins Canton, five new deep-water berths for 10,000-ton ships and seven for 7,000-ton ships, put into operation at the end of 1975. New roads and railways have also been built.

Large-scale harbour extension is reported at half a dozen other major ports, including Tientsin and Tallen. New berths, warehouses, fuel depots, rail yards, road and repair docks are included in the project. All these new facilities should help to iron out some of the bottlenecks in transport which hampered the expansion of the Chinese economy 18 months ago.

At Whampoa, South China's largest port, which adjoins Canton, five new deep-water berths for 10,000-ton ships and seven for 7,000-ton ships, put into operation at the end of 1975. New roads and railways have also been built.

Large-scale harbour extension is reported at half a dozen other major ports, including Tientsin and Tallen. New berths, warehouses, fuel depots, rail yards, road and repair docks are included in the project. All these new facilities should help to iron out some of the bottlenecks in transport which hampered the expansion of the Chinese economy 18 months ago.

At Whampoa, South China's largest port, which adjoins Canton, five new deep-water berths for 10,000-ton ships and seven for 7,000-ton ships, put into operation at the end of 1975. New roads and railways have also been built.

Large-scale harbour extension is reported at half a dozen other major ports, including Tientsin and Tallen. New berths, warehouses, fuel depots, rail yards, road and repair docks are included in the project. All these new facilities should help to iron out some of the bottlenecks in transport which hampered the expansion of the Chinese economy 18 months ago.

At Whampoa, South China's largest port, which adjoins Canton, five new deep-water berths for 10,000-ton ships and seven for 7,000-ton ships, put into operation at the end of 1975. New roads and railways have also been built.

Large-scale harbour extension is reported at half a dozen other major ports, including Tientsin and Tallen. New berths, warehouses, fuel depots, rail yards, road and repair docks are included in the project. All these new facilities should help to iron out some of the bottlenecks in transport which hampered the expansion of the Chinese economy 18 months ago.

At Whampoa, South China's largest port, which adjoins Canton, five new deep-water berths for 10,000-ton ships and seven for 7,000-ton ships, put into operation at the end of 1975. New roads and railways have also been built.

Large-scale harbour extension is reported at half a dozen other major ports, including Tientsin and Tallen. New berths, warehouses, fuel depots, rail yards, road and repair docks are included in the project. All these new facilities should help to iron out some of the bottlenecks in transport which hampered the expansion of the Chinese economy 18 months ago.

At Whampoa, South China's largest port, which adjoins Canton, five new deep-water berths for 10,000-ton ships and seven for 7,000-ton ships, put into operation at the end of 1975. New roads and railways have also been built.

AMERICAN NEWS

Comptroller says Chase, Citibank are 'sound'

BY JAY PALMER

NEW YORK, Jan. 12.

MR. JAMES SMITH, Comptroller of the Currency regulating all Federally chartered banks, stressed today that neither First National City Bank nor Chase Manhattan Bank was in any danger of insolvency or financial collapse.

Both banks, he said, were "sound" and "well managed" and he was among the soundest banking institutions in the world.

Mr. Smith strongly criticised the Washington Post for publishing a "sensational" and "out of context" article saying that both Citibank and Chase are on the verge of bankruptcy because of their relatively high volume of dubious loans.

The Post article, published yesterday on page one under an eight column heading, said that the two huge banks had been placed on the comptroller's "problem list" because their "classified" assets—loans and investments—were of dubious quality—amounted to more than 30 per cent. of their capital.

The article, which cited examination reports of the two banks made early last year, had an immediate impact on Wall Street this morning. In very heavy trading, the share prices of both banks' holding companies moved lower. At noon Citicorp's price had fallen \$14 to \$294, while Chase's was down \$14 to \$271.

Both banks today joined the comptroller in condemning the article. Mr. Walter Wriston, the chairman of Citicorp, called the article "misleading, irresponsible and at variance with the facts" while Mr. David Rockefeller, the chairman of Chase, more mildly suggested that it was based "on information taken out of context."

Both refused to confirm or deny that their banks were on the "problem list."

The various different problem lists used by different Federal and state banking regulators are all designed to identify individual banks' weaknesses of extra supervision and more frequent

examinations. According to the Comptroller's office and that paragon of bankers' criteria, some \$150 billion now fall into this category.

Although Mr. Smith today specifically refused to comment on the current status of either Citibank or Chase, the Wall Street Journal this morning quoted unidentified Federal banking officials as confirming that they are both now on the problem list. Those same officials noted that this was a sheer technicality, stemming from relatively large but containable loan losses.

Over the last half of 1975, both Citibank and Chase have disclosed loan losses of well above historic norms. However, both banks have pointed out that their "classified" assets do not exceed 10 per cent. of their total outstanding loans and that their increased loan loss reserves are well above the industry average.

Mr. Debs said that there has been a marked shift from time deposits into U.S. Government and Government agency debt, which increased by about \$4bn. last year.

There was also a dramatic surge of equity purchases in the U.S. by a small number of Middle East OPEC countries in the first ten months of 1975, he said, with reported purchases totalling about \$1bn.

But, Mr. Debs said, "I have the general impression that most OPEC equity investments, largely through official accounts in the U.S. may well be double that figure."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

Junta tries to reassure Ecuador

QUITO, Jan. 12.

THE POLITICAL tension of recent weeks in Ecuador has been deflated by General Rodriguez Lara's assertion that the Presidency and the military are united in supporting the military movement.

Civilian politicians, who last year published an optimistic manifesto supporting the "military movement," have quickly realised that power is not to be handed back to them immediately and to-day's Quito newspapers carry statements denying that there has been any change in Government, and calling for an immediate return to civilian rule.

Though the junta has announced that it will govern for only two years, there is clearly no intention of handing over

to the existing civilian populist parties and plethora of ex-presidents. Plans to "democratise" the Government and decentralise power seem to go ahead for the apparently representative ideas close to the heart of Vice-Admiral Poveda, the dominant figure in the junta.

In a communiqué issued yesterday the junta said that all Ecuador's existing institutions will be honoured—presumably including membership of OPEC—and though foreign companies believe they will find things easier under the new Government, pressures from younger officers in the armed forces should ensure that a nationalist image is retained.

There was also a dramatic surge of equity purchases in the U.S. by a small number of Middle East OPEC countries in the first ten months of 1975, he said, with reported purchases totalling about \$1bn.

But, Mr. Debs said, "I have the general impression that most OPEC equity investments, largely through official accounts in the U.S. may well be double that figure."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Mr. Debs said that the composition of the portfolios of securities held in custody for OPEC members at the New York Fed shows a substantial lengthening of maturities.

OPEC placements in the Euro-markets, Mr. Debs added, accounted for about 30 per cent. of the investment total last year, down from 40 per cent. in 1974, and that new sterling investments in Britain must be regarded as "barely stirring."

Argentinian kidnappings

By Robert Lindley

BUENOS AIRES, Jan. 12. AN UNPRECEDENTED wave of kidnapping in Argentina, totalling 20 in the last ten days, has prompted the Archbishop of Cordoba, Monsignor Raul Primates, to appeal to the Third Army Corps garrisoned there for security measures.

Archbishop Primates in his sermon at Cordoba's cathedral yesterday spoke of "the grave moment of pain and preoccupation which is oppressing the human and Christian community of Cordoba." Cordoba is Argentina's second city.

The kidnappings have been carried out by armed bands and may or may not be politically motivated. Apparently neither the police nor the military have any clues to the kidnappers' identities. The Cordoba police recognise only one kidnapping—apparently that of a woman which was reported formally to them—that of a 19-year-old male.

GOING INLAND from the coast, the road passes through rolling estates of young sugar cane, then up into a mountain belt of small farms and thick bush. Beyond the mountains, the road is empty, bordered with tall, bleached trees and cacti.

From here on is the caatinga, the semi-arid backlands of north-eastern Brazil, a source of medicine, beef and cotton, stories of priests and bandits, and wild, dark-skinned peasants who for generations have been drifting to the towns of the coast and the south.

The north-east is "the other Brazil." Its 31m. inhabitants, more than half of them on the land earning an average income of \$190 a year, make up the biggest pocket of poverty in the Western Hemisphere.

Government programme has yet had a major impact, but for various reasons the region is now emerging in the forefront of political and social change.

One reason is the very limited success of the industrialisation policy which has been the Government's main effort in recent years. Another is that its aims, including 10 per cent. growth a year, have been set back by a succession of "bad years"—drought in 1970, partial drought in 19

OVERSEAS NEWS

MPLA vows to continue fighting in Angola

OUR FOREIGN STAFF

South African troops who gave their names, rank and units. They were all tough-looking young men of around 18 or 19. They identified themselves as Riflemen, Handik, Potgieter, Ludwig, Kotschoff, and Piet Grunewald. They were attached to Pretoria's 5th Infantry Battalion and had been in Angola since December 14. They were all national servicemen and they said that they went to Angola because they were ordered to.

The OAU's 46 member states have been split down the middle over supporting the Soviet-backed Popular Movement for the Liberation of Angola (MPLA) and its two rival liberation groups which have Western support.

Conferees said that the delegates were discussing a compromise resolution condemning South African intervention against the MPLA in the former territory. This resolution also called for setting up a committee to study the

problem further, the sources said.

But the summit meeting was still confronted by two opposing motions—one supporting the MPLA and the other calling for a ceasefire, withdrawal of all foreign forces and establishment of a Government of national unity. Officials said earlier that each side was supported by 22 countries, with two uncommitted—Uganda and Ethiopia.

Many delegates were deeply moved by an impassioned appeal from Zambian President Kenneth Kaunda for an Angolan Government of national unity, conferees sources said.

Dr. Kaunda said that the war was "the most serious and tragic crisis" Africa had faced in the 12-year history of the OAU.

He added: "Decisions on Angola, effective decisions, mean, are being made in Moscow and Washington. Our failure to find a solution here confirms that the OAU has the power to shape the destiny of Africa. Power is

in the hands of the superpowers to whom we are handing Africa by our failure."

In Nairobi, Botswana's President, Sir Seretse Khama, said that if the summit recognised the MPLA Government, "We might prolong the struggle and the killing" in Angola.

In Angola, pro-Western forces were reported to be holding their positions in a partial truce on the southern front line, and the Marxist administrators of Luanda are battling with strikes and a typhoid threat.

Since the Addis Ababa summit started, Upita and the FNLA have maintained a partial ceasefire on the southern frontlines. The unofficial truce, temporary and one-sided, was ordered last week by the two movements' leaders. They said that they wanted to give to OAU a chance to find an acceptable peace formula.

In Malanje province, MPLA forces have stopped a two-pronged attack from the south, according to the Malanje military

regional commander. In the northern tip of the province, he said, FNLA troops still occupy Massanga and Marimba.

Reports from Kinshasa said that FNLA troops had made a night parachute attack on hostile positions near Luanda and taken hundreds of prisoners. The troops also captured quantities of Soviet weapons, according to Zaire's Azap news agency.

In Brussels, South Africa's intervention in Angola and the general hardening in its attitude towards Black Africa was described as "alarming" yesterday by M. Claude Cheysson, the European Commissioner responsible for development affairs. M. Cheysson contrasted South Africa's former policy of restraint over Mozambique and Rhodesia and its apparent willingness to see South West Africa move towards independence with its direct intervention in the Angola civil war and the tougher statements now coming out of Pretoria.

Indonesia seeks more revenue

Janith McDonald

JAKARTA, Jan. 12. DENTU SUREPTO of has given notice of an by his Government to a more money out of oil companies. The an giant Caltex is under- ment is now feared. The Government Budget for 1977 financial year begins April states that a \$250m. in oil corporate tax will from "the reduction of gained by oil companies." figure given in President's speech to Parliament is the first public in- of the amount Indonesia gain from renegotiation contracts that began early and is still continuing. The crisis and aggrava- fraught relationship between the Indonesian companies and the army here.

The sixth military vehicle was said to have been destroyed in the clash yesterday, while the seventh was under repair, command sources said. The army, however, now insists that the commandos should hand over the weapons they seized from the vehicles and later released.

The crisis developed during the night before the vehicles side the port of Sidon. Fighting

Clash between guerillas, Army feared in Lebanon

BY ISHAN HAJAZI

BEIRUT, Jan. 12.

A HEAD-ON confrontation between the Lebanese Army and a Palestinian commando movement is now feared. The movement is now feared. The Government Budget for 1977 financial year begins April states that a \$250m. in oil corporate tax will from "the reduction of gained by oil companies." figure given in President's speech to Parliament is the first public in- of the amount Indonesia gain from renegotiation contracts that began early and is still continuing. The crisis and aggrava- fraught relationship between the Indonesian companies and the army here.

The sixth military vehicle was said to have been destroyed in the clash yesterday, while the seventh was under repair, command sources said. The army, however, now insists that the commandos should hand over the weapons they seized from the vehicles and later released.

The crisis developed during the night before the vehicles side the port of Sidon. Fighting

Iran pressed on price of crude

BY ROBERT GRHAM

TEHRAN, Jan. 12.

IRAN is under increasing pressure to lower the price of its oil, which is being sold at a heavy discount as a result of a no final decision appears to have been reached on how to trim expenditures.

Normally, the ratio of sales of Iranian light crude to heavy crude has averaged out at 52/48. In the past six weeks, this has altered dramatically to 72/28.

Oil industry sources maintain that this is because Iran's heavy crude is much overpriced in relation to other Gulf crudes, and buyers are hard to find with depressed world demand mainly favouring the lighter crudes.

Following the September 1975 OPEC meeting Iran priced its light crude at \$11.65 per barrel and heavy crude at \$11.495 per barrel. However, in view of the Kuwaiti—way out of line.

Soviet-Japan talks start

JAPANESE Foreign Minister Kiichi Miyazawa said last night he had made no progress with Soviet Foreign Minister Andrei Gromyko in more than eight hours of talks on a territorial dispute holding up conclusion of a peace treaty, Reuter reports from Tokyo.

He said that the Soviet side appeared to be obsessed with a proposed Japanese peace and friendship treaty with China. The dispute is over four small islands off north east Hokkaido, Japan's most northern main island, which Russia occupied after the Second World War and Japan wants back.

Foreigners' respects to Chou En Lai

Peking's foreign community filed slowly into the ancient Forbidden City in the heart of the capital yesterday to stand briefly in silence before the small flag draped casket bearing the ashes of the late Premier Chou En-lai, a special correspondent reports from Peking. A large portrait of the Premier hung over the casket.

Seychelles talks

A final round of constitutional talks between Britain and the Seychelles is due to start on January 19 in London, our foreign staff writes. The islands hope to achieve it on June 28. But there are still outstanding points of disagreement. The Seychelles want the return of three small islands—Aldabra, Desroches and Farquhar—detached from the colony to form part of the British-Indian Ocean Territory (BIOT) in 1965.

Nigerian oil

Nigeria is aiming to increase its revenue "take" on oil production by slashing the producing companies' overall profit margins by some 40 per cent, the Petroleum Intelligence Weekly reports, according to AP-DJ from New York.

Martial law

Criticism of martial law in Bangladesh has been made punishable with rigorous imprisonment for a term which may extend up to ten years, our Dacca correspondent reports. An amendment to martial law regulations of 1975 by the President and Chief Martial Law Administrator prohibits any criticism by written or spoken word.

SOUTH AFRICA CONSTITUTIONAL TALKS

The vital issue: who gets the vote

NY HAWKINS IN SALISBURY AND BRIDGET BLOOM IN LONDON

ANISATION of African elements on Angola has overshadowed talks taking place in Salisbury between Rhodesian Prime Ian Smith and the wing of the African National Council (ANC) led by Mr. Joshua Nkomo. The 10-year-old independence struggle, which began again on 1. Both sides are quiet about what has so far, but the indication that the new session is set down to substantial issues and could there be a break in the four discussions.

The critical issue centres less on demands for "immediate" rule and Mr. Nkomo's unwillingness to go far the talks have shed on this question, a concerned primarily racial issues. However,

it now appears that, with the 1961 constitution as a base document, the dominant question of the franchise is at least to be tackled.

So far, at least for the purposes of discussion, Mr. Nkomo appears to have made a compromise in that he is prepared to accept some form of qualified franchise. Mr. Smith's counter-stance is acceptance of the 1961 constitution as a working document (it was after all its effects that UDI was declared) which involves acceptance of a common electoral roll.

But neither of these concessions gets the parties very far. The critical issue centres less on whether or not there is a common roll but on the franchise qualifications and the electoral delimitation arrangements.

At the time of the 1974 general election 18 months ago, there were only 52,700 white, coloured

(persons of mixed blood) and Asian registered voters on the so-called European roll and some 7,900 black voters on a separate African roll (the separate roll being introduced in the "UDI" constitution of 1969). This implies that to secure a majority of votes—assuming balanced spread of voters across the constituencies—the Africans need to raise their voting strength by less than 100,000. However, there are so many ifs and buts attached to such an exercise that the nationalists are unlikely to agree to so limited an increase in the number of black voters.

For a start, there is a large number of whites eligible for the vote who could register in a subsequent election. Just how large is simply impossible to calculate, because of the considerable net migration that has occurred in the past ten years. Secondly, the Nkomo nationalists would view any limited extension of the franchise with considerable reserve, "because the bulk of the younger and more educated and urban blacks tend to support the 'Muzorewa-Sithole' ANC."

Furthermore, any nationalist leader would be worried that the limited extension of the franchise might lead to a continuing black minority either because of the difficulty involved in assessing just how many blacks have any given educational or income qualification or because Africans may continue to boycott elections as they did after the 1961 and 1969 constitutions were introduced. This is a real possibility since Bishop Munzorewa and his followers have close to parity or a black shephard they will disregard majority. It is at this stage that the delimitation—which could alter the constituencies in favour of whites—could continue to hold power because of the nationalist split.

Our trucks don't make news

Progress COPIER

XEROGRAPHY

Cut the cost of your xerography copier paper—Progress Copier is economic no matter what the quantity. National delivery—same-day radio-controlled van service for Greater London area. Company contract scheme means contract prices, variable deliveries as required. Free samples.

01-407 6377

Progress Paper Sales—62-70 Long Lane, London SE1

Backing for Moro in search for new Italian Government

ROME, Jan. 12.

PARIS, Jan. 12.

from its present level of around \$136.

PARIS, Jan. 12:

ment, has increased the number of women Ministers from four to five.

STOCKHOLM Jan. 12.

the national pension fund for investment in private company shares, continuing release of blocked investment and environmental funds and more financial support for production stocks.

...the

£125m. for seized British property. Much of the debt is accounted for by Romanian Government 4 per cent. bearer bonds which have recently been quoted at 17p.

Norwegian Premier-designate
Othman Nordli announced his new

given different posts.

Party is preparing plans to find

the funds and provide for Malta's defence after Britain withdraws completely after 1979, Godfrey Grima reports.

Feeling a bit queer

BY ELGIN SCHROEDER, IN BONN

relatively few industrial managers, bankers, and federal ministers. In 1975 the doctors agreed to accept no more than a minor increase of fees of 2.29 per cent — but stepped up the

By Michael Van Os

siderably and so has company profitability. As a result, renovation and expansion is being seriously impaired by the financially weak state of companies.

By Michael Van Os

They issued to-day's statement, after speculation appeared in the Press.

AUGUSTUS BARNETT

GREAT WINE SALE '76

SALE STARTS TO-DAY

FINE ESTATE BOTTLED HOCKS

JOHANN BERGER STEINWOLLE 1-09 	JOHANN BERGER ENTENHAGEN 1-09 	JOHANN BERGER ENTENHAGEN 1-09 	MADECHERER REIC PLATZ 1-09 	WINTERSCHER ROSENBAUM 1-09 	JOHANN BERGER ENTENHAGEN 1-09 	SCHLOSS ENTENHAGEN 1-20 	JOHANN BERGER ENTENHAGEN 1-20 	COTES DU ROUGE NOUVEAU 99p
--	--	--	---	---	--	--	--	---

BARGAIN BURGUNDIES & CLARETS

SANTERAY BOUCHARD PRIE 1-15 	PIAT CHATEAU GALLARD 1-15 	VOLRAY PICARD 1-15 	COTES DE ROUGE BOUCHARD 1-15 	BEAUNE ROUGE 1-15 	MOORE ST. DENIS ROUGE 1-15 	COTES DE ROUGE BOUCHARD 1-15 	ALEXIS CHATEAU PICARD 1-15 	FLEURIE PRIE 1-15
--	--	---	---	--	---	---	---	--

POUSSARD ROUGE 1-20 	YVONNE ROUGE 1-20 	CHAMBOULE ROUGE 1-20 	MERCIER ROUGE 1-20 	CHATEAU CHARRON 1-20 	CHATEAU HAUT ROUGE 1-20 	CHATEAU DES DAMES 1-20 	CHATEAU LA TERRE 1-20 	CHATEAU DE BAZAN 1-20
--	--	---	---	---	--	---	--	--

CHATEAU DE ROUSSELLADE 1-20 	CHATEAU DEL LA 1-50 	CLAUDE COG 2-00 	CHATEAU BRANARE DOUIN 2-10 	CHATEAU HAUT BATAILLY 2-10 	CHATEAU A LONG REGUR 2-39 	CHATEAU LEGRUE LAS CARRS 2-50 	CHATEAU LAFITE ROUSSELLADE 3-09 	CHATEAU MOUJON ROUSSELLADE 3-09
--	--	--	---	---	--	--	--	--

NOW 111 AUGUSTUS BARNETT CUT - PRICE WINE STORES

ALL PRICES INCLUDE VAT
SUBJECT TO STOCK REMAINING

AROUND LONDON

ACTON, 52/53/54 BULLHORN RD.
CLAPTON, 100, 102, 104, 106, 108, 110, 112, 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, 134, 136, 138, 140, 142, 144, 146, 148, 150, 152, 154, 156, 158, 160, 162, 164, 166, 168, 170, 172, 174, 176, 178, 180, 182, 184, 186, 188, 190, 192, 194, 196, 198, 200, 202, 204, 206, 208, 210, 212, 214, 216, 218, 220, 222, 224, 226, 228, 230, 232, 234, 236, 238, 240, 242, 244, 246, 248, 250, 252, 254, 256, 258, 260, 262, 264, 266, 268, 270, 272, 274, 276, 278, 280, 282, 284, 286, 288, 290, 292, 294, 296, 298, 300, 302, 304, 306, 308, 310, 312, 314, 316, 318, 320, 322, 324, 326, 328, 330, 332, 334, 336, 338, 340, 342, 344, 346, 348, 350, 352, 354, 356, 358, 360, 362, 364, 366, 368, 370, 372, 374, 376, 378, 380, 382, 384, 386, 388, 390, 392, 394, 396, 398, 400, 402, 404, 406, 408, 410, 412, 414, 416, 418, 420, 422, 424, 426, 428, 430, 432, 434, 436, 438, 440, 442, 444, 446, 448, 450, 452, 454, 456, 458, 460, 462, 464, 466, 468, 470, 472, 474, 476, 478, 480, 482, 484, 486, 488, 490, 492, 494, 496, 498, 500, 502, 504, 506, 508, 510, 512, 514, 516, 518, 520, 522, 524, 526, 528, 530, 532, 534, 536, 538, 540, 542, 544, 546, 548, 550, 552, 554, 556, 558, 560, 562, 564, 566, 568, 570, 572, 574, 576, 578, 580, 582, 584, 586, 588, 590, 592, 594, 596, 598, 600, 602, 604, 606, 608, 610, 612, 614, 616, 618, 620, 622, 624, 626, 628, 630, 632, 634, 636, 638, 640, 642, 644, 646, 648, 650, 652, 654, 656, 658, 660, 662, 664, 666, 668, 670, 672, 674, 676, 678, 680, 682, 684, 686, 688, 690, 692, 694, 696, 698, 700, 702, 704, 706, 708,

gold
Dun
busi
lead
pro

rench

weden

debt

eer

they make money

These are the trucks that are making money for our employees who make them, the specialists who sell them and most of all, for the operators who use them.

THE BIG DODGE K38 TRACTOR
THE DODGE 500 SERIES
THE COMMER COMMANDO
THE KARRIER MUNICIPAL FLEET
THE COMMER WALK-THRU
THE COMMER SPACE VAN
THE COMMER SPACE CARAVAN
THE SIMCA 1100 VAN

In fact, a full range, from light vans to heavy-duty tractors. Backed by a national dealer network, full warranty, Contract Maintenance and Certified Truck Care.

***Dodge Commer* KARRIER**
business efficiency in ACTION!



HOME NEWS

Only half rail system is basic, says Marsh

BY JAMES McDONALD

THE "BASIC" railway system was probably a little over half the present route mileage, Sir Richard Marsh, chairman of the British Railways Board said in London yesterday.

He told the Chartered Institute of Transport that another effort by the Board to stimulate progress towards a long-term transport policy was being undertaken.

"It is clear that we cannot continue in a situation where vast sums of public money are poured into an organisation, the objectives of which are clear to no one."

Allocation of resources to the railways and the political-social aspects of railway policy must be, ultimately, the responsibility of the Government.

"My staff have been engaged in an effort to identify 'the Basic Railway' — that is to say, that part of the railway activity about which there is little controversy — the heavy long-haul freight traffic and the financially attractive inter-city services."

Although the basic railway was rather more than half the present route mileage it carried a much higher proportion of traffic.

"It would still not be viable in a conventional commercial sense but, because it would consist of those activities for which railways are clearly best suited, it would be cheaper."

"There is much talk when

discussing the railway of route mileage that it is sometimes forgotten that the crucial argument is not mileage but the amount of support the community is prepared to provide. It can only do this if it is given some indication of the specific services it is purchasing."

"It will then be for the Government to spell out the non-commercial objectives which should determine the future of those activities which cannot be admitted within the definition of the basic railway."

This would allow British Rail, for example, to discuss rationally the case for — and the cost implications of — providing services in Scotland and Wales.

"It would enable us to discuss rationally the scale and quality of the London commuter services."

"I am convinced that if we do not move rapidly towards a more rational policy for the railway we will be faced with a system that will rot to a point where the quality will decline as the cost rises and the long-suffering taxpayer will be faced with even less value for his hard-earned cash than he gets at present."

Although any Government had a natural urgency to see positive achievements within four or five years, an industry on the scale of British Rail must look much further into the future, he said.

It was extraordinary that any business should be allowed to drift into a position where it was



Mr. Elliot Richardson, the U.S. Ambassador, and Sir Richard Marsh, chairman of British Rail, open an exhibition of mini-computers and peripherals at the U.S. Trade Center.

fixing short-term objectives but had no long-term strategy. The railway policy review interim strategy was accepted by the previous Government in 1973. Since then the investment needed to carry it out had been cut by 35 per cent.

The rail unions accused the Government yesterday of virtually completing its review of transport policy without consulting them or the British Rail Board — in spite of assurances that they would be involved in long-term strategy. They are to call a meeting next week of the 13 MPs sponsored by railway unions and also want to meet the Conservative Commons transport committee and Liberal MPs.

Surplus likely for Post Office

By Donald Maclean

THE POST OFFICE expects to make a surplus in the current financial year in its overall activities, and looks forward to the 1976 calendar year "with much more confidence than in 1975."

The composition of the committee to review the Post Office was announced yesterday by Sir Eric Varley, Secretary for Industry, two months after the appointment of its chairman, Sir C. F. Carter, and almost five months after the decision to set up a review body was announced.

At the same time, as part of a series of announcements affecting the Post Office, it emerged that a £700,000 telephone exchange at Rochdale was to be left empty for as much as two years.

In the Post Office Corporation's staff newspaper, Sir William Ryland, the chairman, predicts another hard year for the corporation, but says that there is also a bright side.

"We can be satisfied we are on the right road, but there is still a long way to go and the journey will often be difficult."

Suffering

Post Office prices, he says, are "nearer what they should be." Although business had been lost through higher prices, the effects had not been "as big as many pessimists forecast." Post offices over the world, said Sir William, "have been suffering like ourselves — many more so."

But the quality of service had been improved, and Post Office staff "must maintain and reinforce this improvement if we are to win back lost trade."

As far as the current financial year is concerned, it appears that Christmas traffic rates, which fell in reflection of higher postage charges, have not been so severely reduced as to destroy the corporation's earlier hopes of an overall surplus for 1975-76.

It was announced last week by Sir Edward Penness, deputy chairman of the Post Office and managing director of the telecommunications side, that the corporation should beat its telephone service target of £800 million profit. The postal services compensation of £70m. on postal services, it now seems, is unlikely to be taken up in full.

The setting-up of a review of the Post Office was announced by the Government in August, following its decision to improve price increases last autumn which were estimated to bring in £284m. in the current financial year. An independent inquiry had been recommended by the Post Office Users' National Council.

Committee named by Varley

MR. ERIC VARLEY, Industry Secretary, yesterday named the committee which is to review the Post Office.

The appointment of Mr. Charles Carter as chairman has already been announced. The other members are: Mr. Leslie W. Buck, general secretary of the National Union of Sheet Metal Workers, Copper Smiths and Heating and Domestic Engineers; Mr. Brian Smith-Kellie, deputy chairman of Tube Investments; Sir George Macfarlane, member of Research and Development Establishments and Research Ministry of Defence; Miss Rosemary McRobert, director, Retail Trading Standard Association; Mr. Edward R. Nicholson, of Peak, Warwick Mitchell and Co., U.K.; Mr. David Sainsbury, financial director of J. Sainsbury; and Mrs. Maureen Waddilove, Citizens' Advice Bureau.

Telephone exchange stays empty

By Christopher Lorenz

A NEW aspect of the slump in telephone traffic, and its effect on the Post Office's financial position, emerged yesterday with the news that a newly-completed £700,000 telephone exchange building at Rochdale is to be left empty, possibly for up to two years.

Under normal circumstances, the PO would have been already installing switching equipment in the trunk transit exchange, but demand is now far below the levels expected when the building process was set in motion in the late 1960s. The waiting list had been cut from 215,000 three years ago to well under 70,000 and was still falling, Sir William Ryland, the PO chairman, said yesterday.

The mothballing of the Rochdale exchange is the first major example of the inevitable under-utilisation of exchange floor space which must follow last autumn's swingings cuts in PO orders to the switching equipment manufacturers; the cycle on this equipment is only a fraction of that needed to plan and construct a new building.

The PO said last night that Rochdale was the only new "group switching centre" to be affected in this way at the moment, but the economic situation suggested there might be other examples in the future.

Benn pays £40m. to Burmah in advance of Ninian deal

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT has made £40m. advance payment to British National Oil Corporation (BNOC) for the transfer of the company's stake in the North Sea Ninian field to the State-owned British Petroleum National Oil Corporation.

The cash payment will enable BNOC to continue its share of the development in both the Ninian and Thistle fields, now costing the company £25m.-£30m. a month, the Government has announced. The Government is negotiating terms for the transfer of the whole, or a substantial part of the company's North Sea assets to BNOC.

The advance was announced in the Commons yesterday by Mr. Anthony Wedgwood Benn, Energy Secretary, who immediately came under attack from Mr. Patrick Jenkin, Opposition energy spokesman.

It is bizarre that, on the very day when the Government is committed to spend about £250m. as its part in the development of the two fields, on every tax across the board, the Government should be squandering this money on buying the private sector, said Mr. Jenkin.

He asked how long the Government would persist in following its "futile, doctrinaire" approach to one of Britain's most important industries.

Mr. Leslie Huxford (Lab.) said as high as £120m. for its

Ninian stake, although a lead stockbroker has valued the assets at nearer £30m.-£35m. This does not take into account compensation for the £25m. far invested by Burmah in negotiations with the Government.

Mr. Benn replied, however, that the Government had not stated its position when it was announced that the State had agreed to buy a whole or significant part of Burmah's North Sea assets.

Thistle will be on stream next year, yielding much more revenue, while Ninian is not to start up until 1978 at earliest.

On the other hand, BNOC is operator for the Thistle and group and the Government have wanted to transfer company's role and staff to give the newly created undertaking an initial boost.

The off-shore assets and the National Coal Board, already been transferred to BNOC, however, and the corporation may feel that with assets, the prospects of a number of negotiations agreements and pipeline and an active role the new round of licence allocations later this year, enough to keep itself afloat for the time being.

No doubt the issues will be discussed by the new Board when it meets in Glasgow tomorrow.

See Lex, Back Page

North Sea partners raise £12m. loan

BY RAY DAFTER, ENERGY CORRESPONDENT

A £12m. LOAN has been made available to a consortium of oil operators to buy specialised engineering services and equipment for the important Statfjord oil field.

The field, the biggest so far discovered in the North Sea, straddles the Norwegian/U.K. boundary. Phase one of its development will be carried out on the Norwegian side, which has a greater proportion of the recoverable reserves, now estimated at 3.9bn. barrels.

The loan, made available by the National Westminster Bank and backed by the Export Credits Guarantee Department, will be used by the consortium to buy equipment and services for phase one of the field's development.

The initial phase consists of a concrete production platform, being built in Norway, and a single point mooring buoy for offshore loading.

The Norwegian State Oil Company (Statoll) has said that eventually the field will require three platforms and a permanent transport system, preferably a pipeline to Norway.

Matthew Hall Engineering is the main U.K. contractor for rig-sharing proposal.

Increased insurance for airport vehicles

BY ERIC SHORT

VEHICLE-DRIVERS coming to close quarters with aircraft at Heathrow will be required to be insured for £15m., under a decision announced yesterday by the British Airports Authority.

This increase in cover will be operative from April 1 and will apply to all airport companies and individuals allowed to pass the security gates and go in to close proximity to aircraft.

The BAA said that it had been concerned for some time about the level of insurance cover provided by operators of such vehicles. Although the anticipated frequency of accidents was minimal, the potential damage situation was enormous.

Evidence of third-party liability insurance for this new value for

Motorcycle sales best in 16 years

By Terry Dodsworth

U.K. SALES of motorcycles a 16-year record in 1975 year in which the only new British manufacturer, Norton-Villiers-Triumph, forced to liquidate most of its business.

Total registrations 272,000, an increase of 4 per cent on the 159,500 achieved in 1974.

Japanese manufacturers accounted for about 65 per cent of the market (fuel mopeds), the rest going variety of Western and European concerns, with British industry accounting less than 5 per cent.

Motorcycle registration increased by 67 per cent, 174,800 sales compared 104,900 in 1974. Mopeds—50 cc machines with pedal achiving 90,000 sales, an increase of 12 per cent on the 81,100 in 1974.

Steady growth

Several reasons are advanced by the motorcycle industry for the improvement in sales, including the drive for fuel economy and the effects of the two publicity campaigns.

In 1969 the industry to its low point, with only 100,000 registrations, but since then has shown steady growth, rising to 197,000 in 1973, a slight dip when sales slipped to 181,000 in 1974.

Last year's surge under the recovery of the industry which now appears confident two or three more years' growth as many motorists switch to motorcycles for economy and fun.

Next year there are high hopes that the total of 330,000 registrations achieved in 1959, the industry's high spot, can be approached. More adventurous sales are planned to late sales and there is as yet that growth has slackened.

The growth of the market year will inevitably have a larger import bill, though figures have not yet been released. In 1974 motorcycle imports were valued at £14m. against £14m. worth of exports.

...and bicycle trade receive a boost, too

BICYCLE SALES in the last year topped the 19m. for the first time in 26 years, according to the British Cycle Manufacturers' Association.

The total is up 150,000 on sales have almost doubled in the last six years. This has been due to a combination of economic and health factors according to the bureau.

Four dustmen fined £150

FOUR London dustmen fined £150 each at the Old Bailey yesterday for corruptly accepting money to make extra collections.

Judge Lawson told: "You knew it should not be done and people were going to find out. You were going to be caught."

The four, who were employed by the Royal Borough of Kensington and Chelsea, were: Curd, 25, of Beech Avenue, Hanwell; Bryan, 25, of Queen's Road, Halden; Edward, 25, of Twyford Road, Harrow; and Thomas, 25, of Crescent, Notting Hill.

All pleaded guilty to corruptly obtaining money from J Restaurant on April 18, and Tethers Restaurant on 7 the same year.

All of these Securities have been sold. This announcement appears as a matter of record only.

\$35,000,000

The Industrial Bank of Japan, Limited

(Kabushiki Kaisha Nippon Kogyo Ginko)

9¼% Notes Due 1980

Principal, premium, if any, and interest payable in United States dollars in New York City or in certain cities outside the United States without deduction for or on account of Japanese withholding taxes, all as set forth in the Offering Circular. Interest is payable annually on December 15, commencing in 1976.

MORGAN STANLEY INTERNATIONAL

DILLON, READ & CO. INC.

SOCIETE GENERALE

DEUTSCHE BANK

KUWAIT INVESTMENT COMPANY (S.A.K.)	IBJ INTERNATIONAL LIMITED	BANQUE EUROPEENNE DE TOKYO
ALGEMENE BANK NEDERLAND N.V.	A. E. AMES & CO.	AMSTERDAM-ROTTERDAM BANK N.V.
ANDRESEN'S BANK A/S	ARNOLD AND S. BLEICHROEDER, INC.	ASTAIRE & CO.
BAER SECURITIES CORPORATION	BANCA COMMERCIALE ITALIANA	BANCA DEL GOTTARDO
BANCA NAZIONALE DEL LAVORO	BANCO DI ROMA	BANK OF AMERICA INTERNATIONAL
THE BANK OF BERMUDA	BANK GUTZWILLER, KURZ, BUNGSNER (OVERSEAS)	BANK LEU INTERNATIONAL LTD.
BANK MEES & ROPE NV	THE BANK OF TOKYO (HOLLAND) NV	BANKERS TRUST INTERNATIONAL
BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (B.A.I.I.)	BANQUE BRUXELLES LAMBERT S.A.	
BANQUE FRANCAISE DU COMMERCE EXTERIEUR	BANQUE GENERALE DU LUXEMBOURG S.A.	
BANQUE DE L'INDOCHINE ET DE SUEZ	BANQUE INTERNATIONALE A LUXEMBOURG S.A.	
BANQUE LAMBERT-LUXEMBOURG S.A.	BANQUE NATIONALE DE PARIS	
BANQUE DE NEUFILIZE, SCHLUMBERGER, MALLET	BANQUE DE PARIS ET DES PAYS-BAS	
BANQUE POPULAIRE SUISSE S.A. LUXEMBOURG	BANQUE DE L'UNION EUROPEENNE	
BANQUE WORMS	BAYERISCHE VEREINSBANK	
BERLINER HANDELS-UND FRANKFURTER BANK	CAPITALFIN INTERNAZIONALE S.p.A.	
CASENOYE & CO.	CHRISTIANIA BANK OG KREDITKASSE	CITICORP INTERNATIONAL BANK
COMMERZBANK	COMPAGNIA FINANZIARIA INTERMOBILIARE S.p.A.	CREDIT COMMERCIAL DE FRANCE
CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE	CREDIT INDUSTRIEL ET COMMERCIAL	
CREDIT LYONNAIS	CREDIT DU NORD ET UNION PARISIENNE	CREDIT SUISSE WHITE WELD
CREDITANSTALT-BANKVERBIN	CREDITO ITALIANO	DAI-ICHI KANGYO BANK NEDERLAND N.V.
DAIWA EUROPE N.V.	DELBRUECK & CO.	THE DELTAC BANKING CORPORATION
DEN DANSKE LANDESBANK	DEN NORSKE CREDITBANK	DEUTSCHE GROSZENTRALE
DEWAAT & ASSOCIES INTERNATIONAL S.C.S.	DOMINION SECURITIES CORPORATION HARRIS & PARTNERS	
DRESDNER BANK	DREXEL BURNHAM & CO.	EUROPEAN BANKING COMPANY
FIRST BOSTON (EUROPE)	ROBERT FLEMING & CO.	FINACOR
GROSZENTRALE UND BANK DER OSTERREICHISCHEN SPARKASSEN	GOLDMAN SACHS INTERNATIONAL CORP.	
GREENSHIELDS HAMBRO-MITSUI	HAMBROS BANK	BILL SAMUEL & CO.
INDUSTRIEBANK VON JAPAN (DEUTSCHLAND)		
ISTITUTO BANCARIO SAN PAOLO DI TORINO	JARDINE FLEMING & COMPANY	KIDDER, PEAODY INTERNATIONAL
KJOENHAVNS HANDELSBANK	KLEINWORT, BENSON	KREDITBANK N.Y.
KREDITBANK S.A. LUXEMBOURGEOISE	KUHN, LOEB & CO. ASIA	KUWAIT PACIFIC FINANCE COMPANY LTD.
LAZARD BROTHERS & CO.	LAZARD FRERES & CIE	LAZARD FRERES & CO.
MANUFACTURERS HANOVER	MERRILL LYNCH, PIERCE, FENNER & SMITH	B. METZLER SEEL, SOHN & CO.
MITSUBISHI BANK (EUROPE) S.A.	SAMUEL MONTAGU & CO.	MORGAN GRENFELL & CO.
MORGAN GUARANTY & PARTNERS LTD.	NEUE BANK	NEW JAPAN SECURITIES CO., LTD.
THE NIKKO SECURITIES CO., (EUROPE) LTD.	THE NIPPON KANGYO KAKUMARU SECURITIES CO., LTD.	
NOMURA EUROPE N.V.	NORDDEUTSCHE LANDESBANK	OKASAN SECURITIES CO., LTD.
SAL. OPPENHEIM JR. & CIE.	ORION BANK	PETERBROECK, VAN CAMPENHOUT SECURITIES S.A.
PICTET INTERNATIONAL	PIERSON, HEDLING & PIERSON N.Y.	POST-OGH KREDITBANKEN, PKBANKEN
PRIVATBANKEN	N.M. ROTHSCHILD & SONS	ROWE & PITMAN, HURST-BROWN
SANWA BANK (UNDERWRITERS)	J. HENRY SCHRODER WAGG & CO.	SHIELDS MODEL ROLAND
SKANDINAVISKA ENSKILDA BANKEN	SMITH, BARNEY & CO.	SOCIETA FINANZIARIA ASSICURATIVA RAS GROUP
SOCIETE GENERALE DE BANQUE S.A.	STRAUSS, TURNBULL & CO.	SUMITOMO WHITE WELD
SVENSKA LANDESBANKEN	SWISS BANK CORPORATION (OVERSEAS)	TOKAI KYOWA MORGAN GRENFELL
TRINKAUS & BURKHARDT	UNION BANK OF SWITZERLAND (SECURITIES)	VEREINS-UND WESTBANK
J. VONTOBEL & CO.	WAKO SECURITIES CO. LTD.	S.G. WARBURG & CO. LTD.
WESTDEUTSCHE LANDESBANK	WOOD GUNDY	IAMAICHI INTERNATIONAL (EUROPE)

January 13, 1976.

FINANCIAL TIMES REPORT

Tuesday, January 13 1976

COMPUTER SERVICES

In spite of an encouraging year in 1975, the computer services industry still has a number of obstacles to overcome, not least its own reticence in proclaiming its wares.

om
length
length

IT is difficult to allow for the full inflation, the influence of the pound on Europe and the latest figures of 25 per cent turnover of the U.K. services industry in just one year is little short of remarkable. For 1975 is likely to be in the region of £170m., an appreciation of new equipment well above the revised 1974 of £128,606,000, according to the Services Association. The main reason for the increase in productivity, measured in per capita, is the use of more capital, measured in an increase of 10 per cent, in manning. Money for software support is increased from just 10 to just over 28,000 through the National Comput-

ing Centre whose head, David Firthberg, has more than one proposal up his sleeve. But by and large the purchasing controllers have little or no idea of how important the service companies are to the computer-using community as a whole, nor of the vital role all are playing in shaping the future of the industry and the type of products it will be offering in ten to 20 years.

Creation

To illustrate this point it should not have gone unnoticed even by civil servants who cannot see much beyond the creation of ICT's New Range, that a company such as TSI, the time-sharing operation running on Digital Equipment Corporation DEC 10s, does all its own maintenance, has designed its own most economical operating system, and is expanding at such a rate that it can almost be expressed as one to two DEC 10s a year.

It should also be noted that such traditional IBM users as Centre-file are actually installing PDP 11 machines as "intelligent terminals" in some of their on-line real-time clients' offices so that IBM is being drawn into the distributed processing situations it has strenuously sought to avoid—

particularly in the U.S. and Germany—for some years past. It should also be noted that there has been such a demand for earlier generation machines that prices of 360's on the U.S. market have shown a marked upward trend and refurbishers and enhancers such as CWT and Leason, together with the plug-compatible specialists IBM came very near to annihilating, are giving some of the machines in the 370 range a very hard time. Meanwhile, Computer has succeeded in doing more with major ICL operating systems than it would appear—the company's own experts.

All this points to one thing: that the service industries can get—indeed must get—far more out of their equipment than the run of the mill user. They do this both by excellent engineering support and expert knowledge of software. But their expertise is not being tapped as it should for the benefit of the British computer industry, in particular, and computer users in general. Not that service company operators have that much time to spare on playing the committee game. But it would be useful to apply their knowledge of manufacturers—both of hardware and software—much more widely. An immediate case in point could be that of the Stock

Exchange whose automated accounting system is once again in disarray for no good reason that can be discovered. Centre-file, which successfully handles a large proportion of Stock Exchange business on behalf of a section of brokers could undoubtedly help. But Scan, which is its counterpart, has been in the unenviable position of existing as a sub-set of a group open to takers for the last 18 months. It is also subject to major hardware and software changes by whoever takes over, the bill for conversion being variously estimated at somewhere between £1m. and £1m.

Action

There is clearly action to be taken on this front, though whose responsibility in Government it actually is finds most people baffled. But the Centre-file operation for brokers is working well—as is that of Scan—and obviously if heads are not going to be put together they may well have to be banged together. The subject is too important for laissez-faire.

The year past has seen BOC emerge as the largest U.K. bureau with a wealth of equipment and software expertise at its fingertips. It has also seen the takeover by a big U.S. company, of Hoskyns and a

number of regroupings strengthening the U.S. hold in one sector and the European hold in another. What, indeed, one can ask has happened to the tacit accord between the Department of Industry and its French counterpart to encourage the growing together of the French and British service industries so as to present a common front in Europe? One suspects that the Plan Calcul/CIT upheaval has broken so many channels of communication that it will take months for the rapprochement to get moving again.

And there are many who would question the efficacy of setting up large, multi-ability groups, claiming that it is far better to set up, by agglomeration, large software, or bureau or refurbishing groups who are masters of one trade and not jacks of all trades. Nevertheless, the U.K. industry with its new found knowledge of minis and microcomputer study centres, such as the one set up by CAP, can still teach the Europeans a great deal. In these lessons, the most important point must still surely be how to get more out of equipment and software than the producer ever thought possible.

Ted Schoeters

Software houses seek recognition

HOW CAN a small software firm grow bigger without losing its individuality? The very fact this question has arisen is a comment on how the software industry has matured since its inception 12 or more years ago. At first, a typical software firm was a very small group that had been started by one or more people who had had experience in that area. It was generally badly under-capitalised and seldom well managed. When a firm like this landed a big assignment, a frantic hunt began for extra staff and a group, rather than a properly trained and constituted team, was put together.

Often the problem was to get the job completed (a hazardous undertaking with software technology in its infancy and few disciplinary rules yet evolved) before going broke. Inevitably, a system design was often inferior and implementation not fully carried through. With a growing demand for software, the computer industry a magnet to the young, bright and ambitious, and experienced clients rare, software houses burst like blossoms from the seed and often died as quickly. In this environment, corporate identity was scarcely a problem. During that period, the industry earned itself an unfortunate reputation for instability and an irresponsible attitude towards clients.

To-day, all this has changed. Principles of software design have been evolved and the need for rigorous discipline appreciated. Many clients know precisely what they want. Contracts, in an international market place that is highly competitive, are not easily won. The older-established houses have learned, usually the hard way, that good management is an essential partner to good technology if one is to remain in business. The whole approach is professional.

Professionalism implies the integrity associated with the practice of older disciplines such as accountancy, engineering or medicine. It entails acceptance of full responsibility for the satisfactory implementation of an assignment and assumes that financial resources are adequate to sustain the cost of completing a contract when things go wrong, as they must sometimes.

"Individuality" in a business equates with personality in a man or woman. In a software house context, it covers such subjects as the approach taken to the making of contracts and the management of projects, the calibre of staff recruited and the training and career development opportunities offered. name, points out that his firm, which specialises in such subjects as strategic planning, data-base management and system auditing, has added only 10 to its original staff of 15 during its five-year life. "We'd rather re-use an assignment than use staff we consider unsuitable," he said. "We spend a lot of time and effort looking for the right people since it started business in 1969, it is engagingly frank that the consultant must fully about the experience that

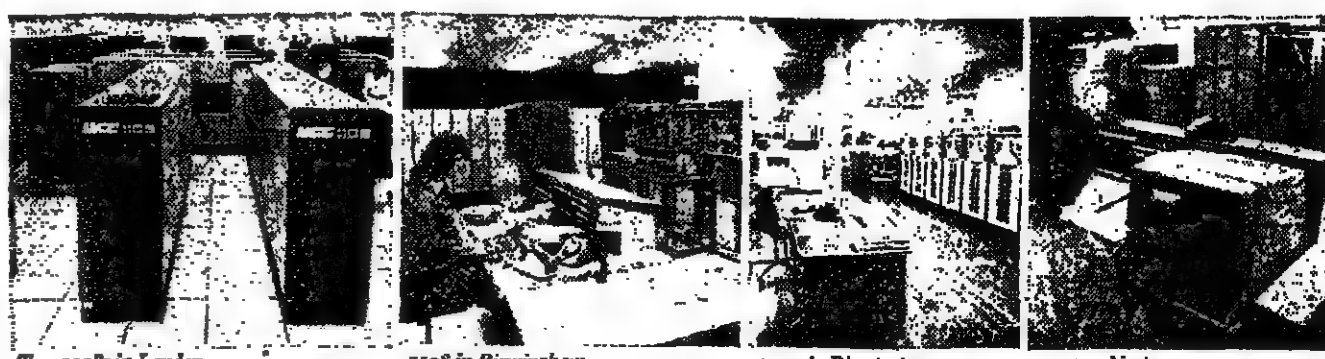
name, points out that his firm, which specialises in such subjects as strategic planning, data-base management and system auditing, has added only 10 to its original staff of 15 during its five-year life. "We'd rather re-use an assignment than use staff we consider unsuitable," he said. "We spend a lot of time and effort looking for the right people since it started business in 1969, it is engagingly frank that the consultant must fully about the experience that

CONTINUED ON NEXT PAGE

Computers cause problems!

*Cost problems *Staff problems *Applications & software problems
*Maintenance problems *Delays

...so why not use ours
and leave all the problems to us



Two 1101s in London 1108 in Birmingham 1107 in Birmingham 1106 at Netbury

Commercial computing

Design and implementation of systems for client requirements. Application areas include—

- * Payroll * Order processing and sales accounting * Sales, purchase and nominal ledger * Retail hire purchase accounting * Credit card system * Standard costing
- * Subscription and covenant accounting and control
- * Mailing and mail order systems * Information processing and reporting.

Technical computing

UCC's library of technical and scientific computing programs is probably the largest in Britain and far too long to be listed here. Details are available on request.

UCC brings large-scale computing power to your offices anywhere in the U.K., in Ireland and much of Europe... access is unscheduled and turnaround is fast—really fast. UCC takes care of all the problems—staff, maintenance, applications and software and so on... and it takes care of its customers because it values their business. You pay for the computer power you use... capital cost is minimal... you may need to rent or lease a terminal. Technical help is always on hand. It's worth finding out about in today's economic climate, isn't it?

UCC in Europe Automation Centres in Europe have a unique knowledge of commercial applications by industry with IBM-type capability.

UCC UNIVERSITY COMPUTING COMPANY

University Computing Company (Great Britain) Limited
214-250 Eastern Road, London NW1 3BA. Tel: 01-567 9611
and at Birmingham, Glasgow, Leeds, Manchester, Newcastle, Nottingham, Oxford, Plymouth, Southampton, Swansea, and The Hague.
Automation Center A.G.
Allerbach 23, 52009 Aachen, Germany. Tel: 049-241 11-11
and at Brussels, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart and Vienna.



SPL International is one of Europe's leading computer consultancies and has for over five years provided a comprehensive range of services in the computing industries to Government, Industry and Commerce. The company maintains the highest level of skills and professionalism and has successfully completed more than seven hundred projects, including some of the largest real-time systems in Europe.

L. International has been involved with Banks, Insurance Companies and Finance Houses throughout its history. SPL's Finance and Banking Group has designed and implemented major real time and communications projects in mainframes and minicomputers in the United Kingdom, Europe, Scandinavia and South Africa. Currently SPL is extensively involved in assisting Banks with SWIFT system application development and implementation.

SPL International

12-14 Windmill Street, London W1P 1HE
Telephone: 01-636 7833. Telex: London 21784.

London * Nottingham * Paris * Bruxelles
Frankfurt * Milan * Stockholm * Helsinki * Madrid
A Sison Engineering Company

Whatever you need from a computer consult Gamma.

We have a wide experience of computer applications and offer complete systems or services in the following—

- u/Time Services**
all management services, on scheduling, try, ledgers, payroll etc. with applications to a distribution.
- Complete Systems**
Financial
Online dedicated systems for banking, FOREX, institutional investment management and money management.
- Commercial**
Cost-effective real time computers for all business applications where a dedicated machine is more appropriate than a bureau service.
- Computer**
Straight hardware from peripherals through DEC systems to packaged time-sharing bureaux. Supplies to end-users and trade.

GAMMA ASSOCIATES LIMITED

12, Street, Nottingham. Tel: 0502 48555 (Neil Palmer)
2nd, Wokingham, Surrey. Tel: 0734 789777 (Carl Nugent)

COMPUTER SERVICES II

The European connection

Atkins Computing Services Limited

The batch, timesharing and remote batch computer bureau with centres at Epsom, Birmingham, Cardiff, Middlesbrough, Swindon, Warrington and The Hague.

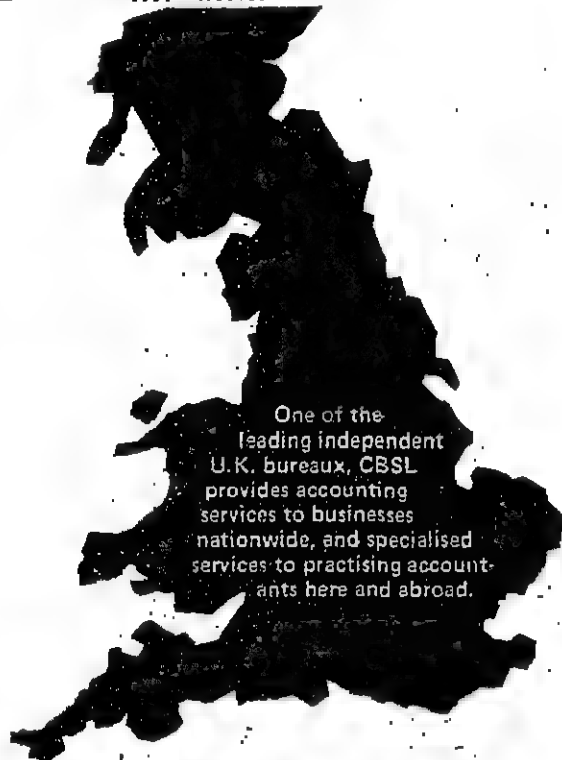
Atkins Computing—where we're needed



Woodcote Grove, Ashley Road, Epsom, Surrey KT18 5BW
Telephone: Epsom (03727) 24981
Telex: 23497

Members of CSA

CBSL WILL HELP BRITISH COMMERCE THROUGH 1976



One of the leading independent U.K. bureaux, CBSL provides accounting services to businesses nationwide, and specialised services to practising accountants here and abroad.

CBSL

Computerised Business Systems Ltd.
Wroughton Place, Cardiff. 0222-862255

Not all our payroll customers have 434,000 employees!

Although conditioned to the complexities of the Post Office's own payroll project, including payroll, we also bring the benefits of computer services to firms too small to justify their own installation. For example, the NDPS Payroll service is used by firms with only 50 staff. Other packages such as Inventory Recording & Invoicing or Sales & Purchase Accounting are suitable for concerns with a turnover of only £300,000. NDPS has access to some of the latest developments in computer technology—COM 80 equipment, the first in Europe, outputs on 105mm microfiche or ultra high resolution 35mm film suitable for plainmaking, ideal for catalogues and similar utility publishing in addition to normal data storage. Our Direct Mailing service is based on Postcode files and supplies up-to-date addresses in magnetic tape or label form using a wide range of selection facilities.

A telephone call will tell you whether your firm could benefit from these well-tried services: phone 01-432 9258.

Sales Manager, National Data Processing Service, Tenner House, 45 Moorfields, London EC2Y 9TH.

The National Data Processing Service

THE EUROPEAN presence of the computer service industry is emerging in different ways. First, the experience of cross-national alliances is providing useful facts on the commonality and special features of each country in Europe. Secondly, the formation of the European Computing Services Association (ECSA) during recent months is giving some formal shape and articulate voice to the needs of computer service activities.

Thirdly, the active role of the EEC directorates in applying computers, promoting studies of computer related topics, and backing EEC-oriented issues in computing and telecommunications matters is concentrating attention on computer service functions.

For instance, Christopher Layton, who is charged with EEC responsibilities in both telecommunications and computers, has recently secured the agreement of the European telecommunications authorities to the evolution of a schedule of harmonisation on policies.

Layton is, in a sense, in the hands of these authorities and their view that harmonisation is realisable is crucial. For the computer service industry this means that eventually (and the time scale envisaged may be in subject of fierce debate by ECSA) even the vexed question of tariff policies could come within a European framework rather than narrow national issues.

In the shorter term the way that EEC institutions seek to apply computers and the technical standards of data transmission may be more relevant matters for ECSA-EEC dialogues. "Just as most of the

governments within Europe have been criticised by the local service companies for their obsession with computing seen only through the blinkers of those making computer processors, or mainframes as they are often called, so the EEC is now coming through the educational process of balancing service skills and products in computing against the boosting of volume sales of mainframes.

However, the EEC has used the consulting services available through the service sector of computing for some two or three years. The existence of the European Space Agency has also encouraged self-confidence in alliances between service companies with differing national roots just as ESA, with its geographically dispersed sites, has naturally turned to a variety of consortia in implementing computer policy aspects of its operations.

Contrast

All this is in stark contrast to the basically competitive attitudes of the European service complex when viewed from countries outside Europe. For the oil-rich members of OPEC there is quite a different set of presentation policies as each EEC country strives to maximise its export value in computer systems and service functions.

A sample of what is involved came recently from Scientific Control Systems, the U.K. computer service company which is a subsidiary of BP. Seicon (as the firm is generally called) operates with links in France and Germany, but

regards its triumph in securing a £34m. computer system contract in the Middle East as a British gain.

Since much of the equipment to be used will come from U.S.-owned makers of small computers this largest ever export order for computer service functions is a dramatic sample of the delicate mix involved in wearing a European hat in the computer service arena.

Other matters of policy have also created a drag on the build-up to a European image of the computer service set of functions. For many years past the U.K. firm of Computer Analysts and Programmers has had an alliance with CAP France and joint ownership of an entity called CAP Europe. However, last year saw a change in ownership of CAP France which finally resulted in the dissolution of this piece of the European integration of service in computing.

Basically the U.K. CAP sticks to being a kind of professional partnership in the manner of accountancy firms, while the French have changed into an industrially backed group similar in nature to many process control engineering houses.

Both kinds of organisation have success behind them to support their differing philosophies, but the point was made via the CAP Europe split that the two styles rarely mix well. Within both the U.K.'s Computing Service Association and the European Computing Services Association there are leading voices from both camps and there can be agreement on how governments should deal with both and the EEC monitor policy in Europe.

However, it does seem probable that a rough ride is ahead for any civil servant or politician who is simple-minded enough to ignore the differences and different roles played by the competing styles of organisation of service groups with a pan-European outlook.

Threat

Where the computing service companies find plenty of areas for common action is against some common threat. The need for equity, both technical and commercial, in data transmission policies has already been mentioned. This does not simply affect the bureaux operators who run remote computing services across national frontiers, but also falls on those which design and build networks which need to run in equivalent fashions in a number of different countries so that their ware advice and implementation can be cost-effective.

For the overhead currently experienced in bending to local national standards is a horrible discouragement which are seen as progressive by companies in the service sector.

This same need for harmonisation within Europe will also be felt in service companies which design commercial and governmental systems affecting personal data. The legal aspects of the privacy issue over the use of computers is currently up for national debate in the U.K.

Unless there is gradual progress towards commonality of treatment on personal data files in computers throughout Europe the growth of some new

expertise in these matters may be restricted to companies with a narrow national outlook—and this might encourage companies with U.S. backing and so depite the stock of service groups with a pan-European outlook.

Given that the validity of many functions in computing systems is held to be equal in most countries in Europe the first growth will be seen in creating product markets for software and services. An alliance has been formed between France, W. Germany, Italy and Britain which has resulted in a Brussels-based firm acting as a fully European entity.

The U.K. partner in this venture, launched only two months ago, is Triad Computing Systems, which is supported by authority backing through BOC and is now marketing a novel text handling system called Scrappbook developed by the National Physical Laboratory in its original form. This shows the importance of a European network in creating a viable market pattern for new service products with a European skill heritage.

For there is little doubt that computer-based systems for handling textual material are likely to be a major growth market throughout Europe within the next five years. If there are few European firms with the resources of Xerox and IBM to carry out international

marketing, there are still new entrepreneurs of service side of computing to up a challenge and to use user options for European business and government administration needing text processing innovations.

Office overheads are due to attack as wage inflation agitates the manpower sector in administration in the 1970s. Text processing exploiting electronics is likely to be a European element in equipment sales is not yet equipped to compete with U.S.-based giants.

Aside from this new internal conflict the service houses may be encouraged to invest more in software development when they can see aspects of a profit from the sale of a European sales drive the finished product.

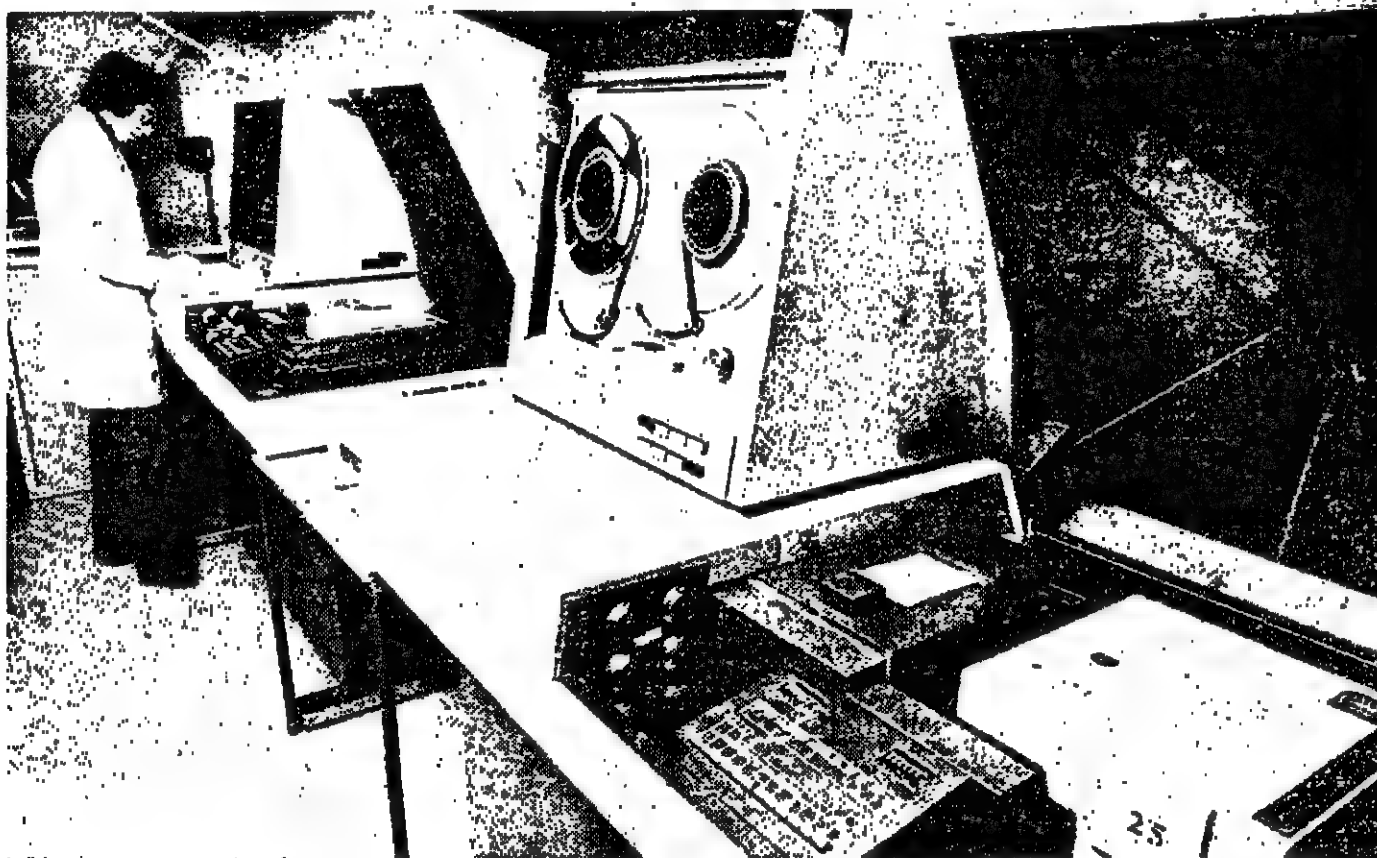
Hedley Vay

COMPUTAPRIN

Specialists in computer setting—from your maps, tapes, Directories, Price & Tracelines.

CDP LTD.

DP for the public industry base transfer and management. Directories and similar publishing. Computer based systems. 33 Bowling Green Lane, London EC1R 1NE. Tel: 837 1277



The operations room at the City branch of Eurocom Data.

Software houses

CONTINUED FROM PREVIOUS PAGE

caused him to think more seriously about staff recruitment and training, and preservation of the "elitist" image suggested by the company's classical name, and its specialisation in esoteric subjects such as real-time systems. "We once took on a contract that left us no option but some last-minute body shopping—and we fell flat on our faces. It's a lesson we shall not forget." His firm recruits only those with high technical qualifications, but deliberately allows "absorption" time to allow them to identify with the company. "As we grow, we shall split into several small

companies rather than become a single large organisation."

The importance of personal identification with the company which is a large factor in maintaining a recognisable public personality is accepted by two of Britain's largest software and systems houses, Computer Analysts and Programmers and SPL International. CAP, which has always had an employee shareholding scheme, has for several years been split into the kinds of groups envisaged by Mike Punter of Zeus-Bermes. This was first done, explained Meinard Donker, manager of external relations, when the original founders of CAP discovered that expansion involved them in so much administration they were losing touch with the technical side of the company.

Effort

"One thing we have to accept," says Mr. Donker, "is that as we get bigger we have had to devote more thought, effort and money to maintain the firm's identity. For instance, we now employ three full-time people on staff relations in London alone. We hold frequent management meetings and large staff conferences. Unless you consciously do things like this to pull people together, you end up with an assortment of individuals who know little of what is going on in the company at large and could begin to regard top management as 'they'."

SPL International, which in more than 10 years' life has learned the hard way the importance of what its managing director, Peter Adams, calls "hard-nosed business management," has, he believes, successfully preserved its individual

character through extensive growth and a variety of vicissitudes. During a financial crisis some years ago, it was acquired by Simon Engineering. "We are most fortunate in our parent," commented Mr. Adams, "because it has voluntarily confined its role mainly to that of banker and financial adviser."

SPL's method of working—on a pool basis, setting up special teams to cover whole assignments or various phases of these both here and abroad—helps company members keep in touch. Furthermore, it insists that managers attend London meetings at least four times a year and that each staff member has an annual fortnight there in internal education.

For many software companies, overseas expansion offers the best opportunity for growth, though this presents new problems in maintaining individuality. SPL has expanded mainly by setting up local sales and administrative centres which, to be successful, must include a high proportion of indigenous staff. Thus, though the British corporate personality inevitably becomes somewhat modified to fit other countries, constant communication and frequent visits in both directions preserve homogeneity of attitude and practice.

CAP, whose efforts to make a match with an overseas partner have recently been widely publicised in the technical Press, has good reason to appreciate the difficulties inherent in such negotiations. As in most marriages, the chance of success is enhanced by commonality of outlook and background; but the older-established and more suc-

cessful the suitor, the more exacting his demands.

Summarising, the consensus among the software companies questioned was that the way to maintain individuality through expansion is initially to be highly selective in areas such as staff recruitment and choice of products and to consciously foster the corporate approach through internal contact. Meinard Donker of CAP believes it unlikely that any British firm will, even with expansion, grow into a really large corporation in the near future. "When that happens you have a different animal and different problems."

Laura Tatham

RTZ Computer Services Ltd.

**Full Bureau Services
Accounting Systems
Fixed Asset Accounting
Contract Staff Register**



For details contact Frank Vay
RTZ Computer Services Ltd.
P.O. Box 100
Bristol BS1 1JY
Tel: Bristol 297481

REDUCE COSTS AND EASE CASH FLOW by ensuring regular payment from customer

- major banks now provide automated statements of bank accounts on magnetic tapes
- there is a computer package designed to accept bank and allocate and credit transfer payments from your bank and allocate them to related accounts
- you do not need a computer to utilise this facility
- we have the computer, the means and the skill to provide with this service
- we call this service

BOTS
BANKERS ORDER FROM TAPE SYSTEMS

For more information call or write to:
R.S. Williams (Systems Consultants) Ltd
Joule House, St James Road, Fleet, Hampshire
Tel: Fleet (02514) 5778 or 28021

Cost-effective time-sharing

ERA's independent and in-depth evaluation of computer time-sharing examines the problems faced by management in choosing a service and using it to maximum effect. Case-effective time-sharing: an evaluation of available services. Proposes the criteria for selecting a time-sharing service and compares the facilities and charges of leading U.K. bureaux.

Subjects include computer communications, performance comparisons, contractual terms, methods and rates of charging and changing bureaux. For details of how to benefit from ERA's study contact Chris Fielden.

ERA

ERA Limited, Cleve Road, Leatherhead, Surrey KT22 7SA
Telephone Leatherhead (03723) 24191

TELL US WHAT YOU WANT AND WE'LL MAKE DAMN SURE IT'S WHAT YOU GET

THE SYNERGY GROUP

Members of CSA

Our operating companies specialise in:

- All the problems met by the new or first time computer user
- Total system turnkey and package based assignments for commercial computer users
- The optimisation of resources in the whole area of physical distribution and transport management
- Industrial process control systems/engineering assignments
- Facilities management and bureau services

John White,
109/117 High Street,
Cheltenham,
Glos. GL50 1DW.
Tel: 0242 37036

Peter M. Brown,
Bancroft Court,
Hitchin,
Herts. SG5 1LW.
Tel: Hitchin 54331

Peter Cross,
40/42 Washway Road,
Sale,
Cheshire, M33 1QZ.
Tel: 061-973 8368

EUROCO COMPUTER SYSTEMS (UK) LTD

Euroco Puts Control in Your Hands.

Euroco is a European based Systems House, currently trading in the UK, Germany and Holland. We attribute our success to providing sound assistance for our clients and assuring they benefit from more effective control of their computing resources. By judicious use of computing techniques, coupled with careful resource management, our clients achieve the improved information flow and control which leads to increased profitability.

Euroco Provides the Expertise.

Euroco's resources include skilled manpower with many years experience in various disciplines. Their complementary skills are not tied to any one manufacturer. We can therefore give assistance in hardware selection, accept assignments on a large range of different computers and are in the ideal position to advise and assist without bias.

Euroco—The Cost Effective Service.

Euroco will help in many ways, including machine selection, facilities management, project control, consultancy and fixed price or contract Systems and Programming. We provide the right people at the right price. The next time you need some no-nonsense computing assistance at realistic fees telephone 01-794 7876/7.

110 Finchley Road, London, NW3 5JJ. Telephone 01-794 7876/7.

EUROCO

COMPUTER SERVICES III

Helping first-time users

INTERNATIONAL BUSINESS machines, which is regarded as godparent of so many trends computing, set the prestige computing service groups several notches when it introduced its System/32 product. With System/32 it accepted public policy something that has been an unwritten fact for years—namely that the time user does not become sufficient in computing easily. It therefore expected that software houses would often be involved in setting up the System/32 outside those industries where IBM had a ready-made set of programs.

His policy has been useful the service sector in many other than the simple fact of the extra volume of work is profitable provided it tackled the right way. For it created a more comprehensive picture inside the complex of service companies and the staff of the National Computing Centre had been aware of the wide variety of choices suitable for entrants to the computing field. It was not until IBM reached its highly motivated staff into selling the other business that the picture came crystal clear.

The cost of making a central processor is steadily going down, the cost of putting that processor to useful work still stands the labour-intensive nature of systems design and programming. As an intermediate measure the IBM way of putting the cost of programming is to produce applications packages which can be put to without too much expense the first-time user.

But this bright notion only leads to a limited set of applications, and in some of these industries there are rival solutions to IBM. The small business and other first-time users usually see this choice as a good one for consultants to advise on.

First, these fledgling users wish to be sure that any package can be used in their business; and secondly they want advice on the best way of securing a computer system if there is not a standard package, or one that is easily adapted. Some bureau services are ideal for this purpose, and the NCC and the various members of the Computing Services Association are competent sources of advice.

The options are very varied. Even for the user who feels that a small self-contained computer system can now be obtained for an appropriate total sum, including working programmes, there are new sources of supply that did not exist a year or two ago.

In those days the business computer came from office equipment firms, such as NCR, Burroughs, IBM, ICL, Univac, Honeywell, Minsart, Philips, Olivetti and Kijele while the small computers from Digital Equipment, for instance, and a host of other technically oriented suppliers, made no sense at all to commercial data processing executives.

Now all that is changing. Several companies within the CSA specialise in supplying business solutions, complete with software, based on small computers made by the technical groups rather than the office equipment suppliers.

For the user who is uncertain whether to take on running any machine on site rather than use a bureau service there are other choices. For the bureau operating within the UK, and mostly represented by members of the CSA, are capable of offering different types of solutions to each user's problems.

Some offer a time-sharing service via a simple terminal or video display and some offer more extensive input and output volume capabilities through a remote unit linked to a central site. On the other hand, there are still many bureaux that believe the batch processing of data to be most cost-effective and arrange for data input and output accordingly

(and again through a variety of collection and delivery methods).

Because of this bewildering set of choices it is vital to new entrants to data-processing that priorities in terms of their business goals are sorted out first. Here the NCC and many of the members of the CSA can provide the classic advisory services for users who may fear to be landed with an unreliable supplier, or a badly programmed system.

The NCC has a good map of experience with all of the options available to the new user of computing, and the CSA membership's abilities are part of that map. The combination can at its best provide services which really understand the business problems of the user and avoid turning the entrepreneur into a technical ostrich in the process of putting a computer to work.

But even apart from getting the processing carried out by a computer to fit the business, there is much in technical terms also think over the problem of maintenance of their terminals which are important to the reliability of the system.

Fortunately, the U.K. is now

systems and software without excessive recourse to external businesses. Even in the matter of skill growth, the NCC and members of the CSA are able to plot a path which avoids the creation of excessive internal overheads and yet sets up a base of key skills.

There are also natural concerns for new users of computing systems when they pick a system which is basically made by entities which are not office equipment names the user knows from past experience. A system may be supplied from a CSA member dealing with machines from one technical supplier, such as Digital Equipment, with peripherals obtained from other companies specialising in those items.

Hardware

Then the question naturally arises as to how the maintenance of this mix of hardware is to be best contracted for. Users who establish links with some time-sharing bureaux may also think over the problem of maintenance of their terminals which are important to the reliability of the system.

Fortunately, the U.K. is now

bled with very experienced maintenance companies which operate quite independently of the main makers of computers and office equipment. The NCC has a file of these and more than 30 names are listed there. Some of these are large contractors, such as Computer Field Maintenance, Systems Reliability, Extel's engineering division and companies such as Cable and Wireless.

Others are companies which have small groups of staff concentrating on special regions or special equipment. But all told there are now around 1,000 engineers working on computer-related field maintenance throughout the U.K. and the industry is firmly established as a support function.

This simple fact creates yet another option for the new potential user of computing. It may be that a used machine offers a good source of business data processing capability. The buyer of many used machines can now be assured of good maintenance just about anywhere in the U.K., regardless of whether the original maker of the machine is involved in dealing with that user. The most sensitive part of

the deal rests with the copyright to the operating software which schedules the house-keeping of the machine's running of the final applications software. The main suppliers of older ranges of computers may not look benevolently on the emerging market for used machines, but the maintenance of the hardware is hardly a barrier to its growth. This exemplifies the status of the maintenance forces from independent companies.

These growth patterns also underline the way that the service sector of computing activity has grown in compass to create a business which gets data processing done for users unwilling, or unable, to deal directly with the famous names listed in the league of giants in computer manufacture.

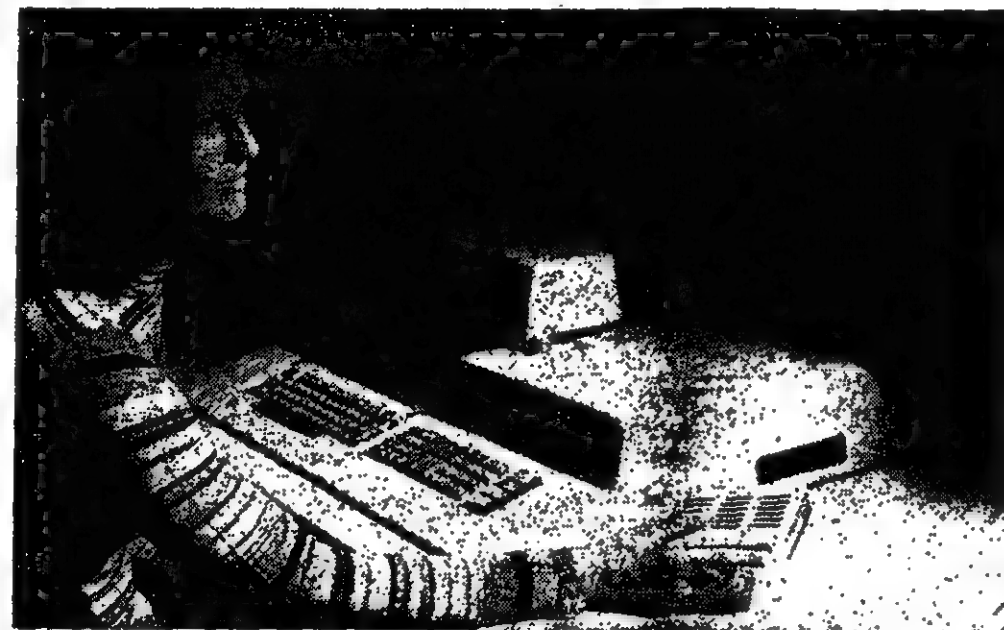
This same sector has thrived on the most experienced of the users who deal with that ill-edged band, for the first dealings with almost any new service in computing can usually be found to have derived from a special need of some very hard headed and experienced computing user.

The independent maintenance contractors have also been fired in the same kiln and recently the news that British Airways was actively examining a possible contract with independent sources of maintenance gave a further boost to the reputation enjoyed within the leading four or five companies in that business.

But as with all mixing of operational and service businesses there is still a real need for the first-time user to find the right partner in an enterprise, such as data processing, which is so close to the heart of most business operations.

The service firms can supply special needs, bulk needs, security, confidentiality and a super level of technical skills. What a new user has to do is to match a business profile from the service side (maybe more than one) to the one which is the source of profits to shareholders and income to employees. For in these profits and their growth lies the success of business computing—not in the mere expansion of technology.

Hedley Voysey



A Logic 2000 accounting computer system.

Attractions of time-sharing

FOR A number of years U.S. observers have been predicting the demise of those computer bureaux unable to offer time-sharing services, and while it is true that time-sharing facilities have expanded very fast, this is often in the somewhat special context of powerful U.S. parents or allies able and willing to make available a wealth of experience to provide a flying start.

Indeed, the experience of a number of U.K. bureaux, TSL among them, shows that the experts in time-sharing are also experiencing unprecedented demand for their remote job roll service offered with great entry and batch facilities, very different from the specialised management services run by WS Atkins from six U.K. and one Dutch centres.

In the meantime, authoritative data on time-sharing and the problems faced by a management when selecting and using a service will be available from ERA in April this year. Basically the concept sounds most attractive since it allows a user to employ a lowly local terminal to gain access to the capabilities of the largest computers installed. But practice varies widely from one facility to the next insofar as operations, contracts, fees and results are concerned and the ERA study will seek to provide guidelines for managers' evaluation. Twelve bureaux will be studied by ERA and a comparison made for subscribers to the evaluation.

Storage

But some people who are active on the bureau front say that technology, particularly that embodied in mini and micro machines and mass storage, is changing the scene and that distributed computing, shared between a bureau and its clients, will be the order of the day.

Cambridge Computer Services, which is running just such a distributed scheme under the name Camlink is, of course, one of the main defenders of this notion. But all those bureaux who are installing or proposing to install intelligent computer-based "terminals" in subscribers' offices are reinforcing the CCS assertion.

Camlink requires an intelligent video terminal at the user end powerful enough to process day to day routines. Control of source data stays with the user but the central machine is updated each time the terminal completes a piece of routine and this unit is so well designed

that the average typist can learn to run it in a day. At the moment Camlink covers most commercial bureaux plus a number of specialised features suited to specific industries.

This group has also sought to provide aids to managers to help them with inflation conditions and has developed a package around the concept of "net output" which will largely isolate the effects of inflation.

These developments could be considered a somewhat specialised version of a standard accounting routine, contrasting with the straight no-frills pay demand for their remote job roll service offered with great entry and batch facilities, very different from the specialised management services run by WS Atkins from six U.K. and one Dutch centres.

Printed circuit layouts, seismic survey analyses, stress plotting of civil engineering models and detailed drawing of land survey results are only a few of the possibilities of the Atkins repertoire which has developed side by side with services to Rio Tinto-Zinc, Dow Redifon, Unilever and Alfa Laval among others.

Concentrating solely on financial modelling is the work by Computer Modelling of Escher, which is based to a large degree on the well-known Prosper routines from ICL. The group is offering a tailor-made corporate model for companies taking their first step into the area and reluctant to commit any further resources of their own data processing department. It is available on terminals from the 1906 A of the Plessey Group through Computerline Bureau Services.

Even more specialised is the computer output on microfilm service operated by the National Westminster offshoot Eurocom. This organisation has been surging ahead and in January this year the Eurocom centres in the U.K., Sweden and West Germany will process more than 10m. original pages of COM, an increase of nearly 300 per cent, over the same month of 1975. Eurocom has grown in the same period from two to nine centres and the customer base from less than 100 in the U.K. to more than 325 in the countries in which Eurocom now operates.

Eurocom management attributes this growth to the realisation by an increasing number of companies that COM reduces costs and improves efficiency. Accelerated growth of the busi-

ness is anticipated in 1976 and Eurocom expects to process nearly 200m. original pages of computer output during this period.

Many users are thinking again on the costs of using microfilm to store and retrieve important company data compared with those of an on-line computer solution. Figures compiled by Kodak show that they amount to only \$111 per day against \$730 in a specified instance, the major saving being at the input stage.

Pressure

These figures have to be quantified for various situations, of course, but one to seven differential has to be examined very closely at a time when everyone is under pressure to pare costs to the bone.

An interesting sideline of Mills Associates, which runs eight bureaux based on ICL units in the U.K., is the engineering division's maintenance service to other ICL users which includes the design and engineering of plug to plug compatible peripherals under the Ampex label. This can provide considerably more power from a given 1900 than available from the maker.

Prime shift maintenance is comparable with that of ICL, but on all other shifts significant reductions are claimed. With this go facilities for examining used equipment for purchase overhauls and modifications, and arbitration in cases of client/maintenance disagreement.

All this shows how diverse are the areas the bureaux become involved in, but companies would be ill-advised to forget that technology is progressing all the time, particularly those offering such services as a quick turn around payroll.

Recently a Logic 2000 accounting computer was installed by regional agents for that Office Data Systems machine — RCM Business Machines of Weston-super-Mare. During its use as a demonstration unit the agents quickly realised that they had here a potential payroll winner and have taken on "bureau" work to support five users already, each averaging 60 employees.

The average cost to users is £750 a week and this on a unit standing at less than £5,000. Similar experience, though in different processing areas, is

bound to crop up with the Comet display/keyboard payment control equipment now backed by De La Rue.

The inference is that bureau operators will need to expand activities their U.S. counterparts have been engaged in for some time past under the slogan "if you can't beat 'em, join 'em."

Ted Schoeters



This could cost less than £8 a week and prove your most valuable employee

High-speed sales, purchase, production and inventory documentation — with or without computer input — NC machine tool tapes, cheque printing and automatic letterwriting — these are jobs on which Scope refurbished Flexowriters can reduce costs, improve efficiency and increase profits in almost every office. They are already doing it for Government departments, public bodies, small firms and companies with household names, at home and abroad.

Now you can lease a Scope refurbished Flexewriter. The net cost can be less than £8 a week — a fixed and low sum, especially compared with the steadily inflating cost of the staff time a Scope machine will save. And well worth investing for a new streamlined efficiency through all your office systems, that buttons down your overheads for good.

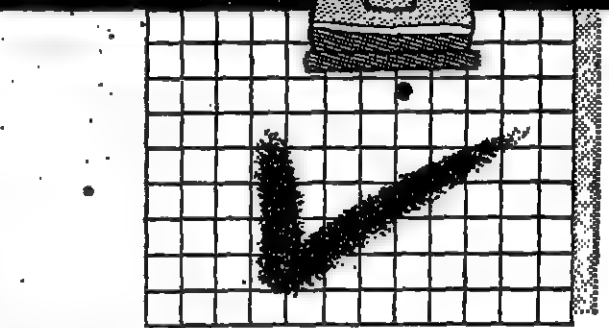
For full details, phone Sheffield (0743) 446111 (24 hour answering service) or telex 547305.

Flexewriter is a trademark of Tealronic Nederland B.V.

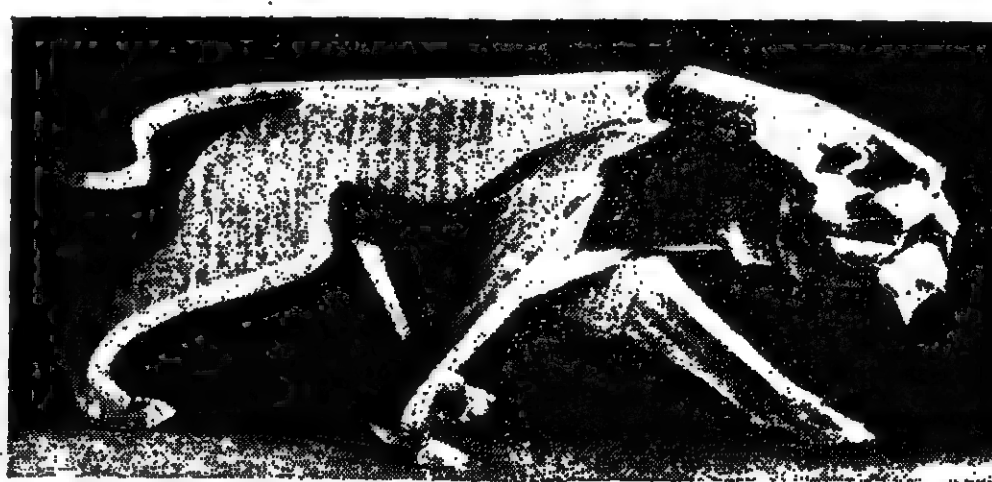
SCOPE DATA SYSTEMS LTD
Sheepcote House, Sheepcote Lane, Sheffield S9 1UJ

CFM. The computer's NHS.

At Computer Field Maintenance, we'll service and repair equipment from most manufacturers — be it new or secondhand. We'll service systems made up of equipment from any combination of manufacturers. We'll service any size of installation — place a team of engineers on site, 24 hours a day, 7 days a week, or provide on call services. We even supply a maintenance service to manufacturers themselves. And if this doesn't tell you how good we are at keeping the nation's computers in good health, any of our clients will. After all, that's what we're here for.



CFM COMPUTER FIELD MAINTENANCE LTD
For further details, contact Tom Henderson, CFM Ltd, Excalibur House, 60 Wilbury Way, Hitchin, Herts. Or ring 0463 51511.



Eurocom The taming of the computer paper tiger

If your computer output is recorded on printout paper, you probably have the beginnings of a paper jungle. And in your paper jungle, living off the land, is C. P. Tiger.

Now consider his diet. He eats paper, and that costs money. Your money, because printout paper is very expensive. In fact, over the last two years, the cost of printout paper has gone up by over 200%.

Eurocom can curb C. P. Tiger's appetite, by providing computer users with a service that greatly reduces the need for printout paper while increasing the quality of information.

Computer data is transferred direct onto a microfilm, usually a 6" x 4" microfiche.

Existing users of COM (Computer Output to Microfilm) find that the cost of our service is usually outweighed by their savings on printout paper alone.

As a result the demand for COM has grown, and so has Eurocom. Our expertise dates from 1967. We now offer COM services through three centres in the U.K., two in Germany, three in Sweden and one in Paris.

Eurocom is now the recognised European leader in COM and is backed by the joint resources of the National Westminster Bank and U.S. Bancorp, Portland, Oregon, U.S.A.

If you would like to know more about the way COM can save you money, contact us.

You'll find it's well worth it.

EUROCOM

Head Office: 3 High Street, Rickmansworth, Herts. Telephone Rickmansworth 74323
U.K. Centres: City Branch, 56-60 St. John St., London EC4M 4BR Telephone 01-253 0724/5
Preston House, Peel Street, Exeter, Devon EX1 1JG Telephone 0392 788 9928
3 High Street, Rickmansworth, Herts. Telephone Rickmansworth 74335

A member of the National Westminster Bank Group

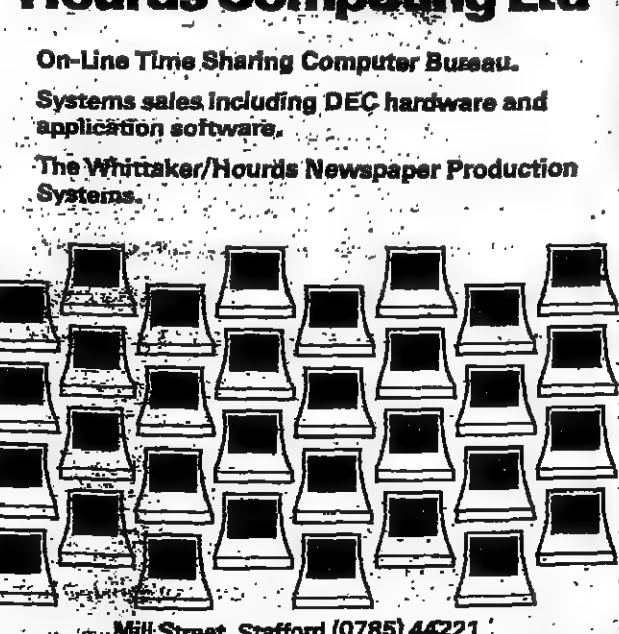
More computer buyers ring us first. Because more computer sellers ring us first. Because...

Computer Resale Brokers pioneered the development of the used computer market in this country. And when you're buying, selling or leasing a computer, ring us first. Because more computer buyers ring us first. Because...



IRB COMPUTER RESALE BROKERS INTERNATIONAL LTD
100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

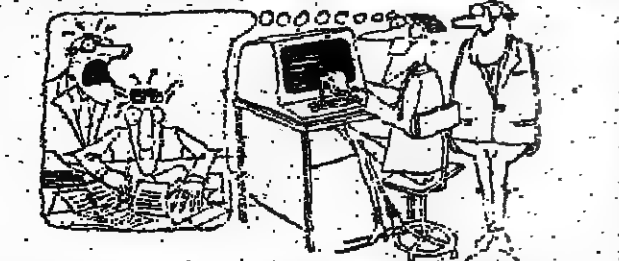
Hours Computing Ltd
On-Line Time Sharing Computer Bureau.
Systems sales including DEC hardware and application software.
The Whitaker/Hours Newspaper Production Systems.



Mill Street, Stafford (0785) 44221

Fast it means what it says

FAST — a comprehensive Financial Accounting System Terminal-based designed especially for the small to medium size company.



FAST & EFFICIENT
The system provides immediate access to financial data on a terminal or computer. It is a fast and efficient way of doing business.

FAST & CHEAP
Low cost operating with virtually no general overheads. It is a fast and efficient way of doing business.

FOR FURTHER INFORMATION, CONTACT:
Marketing Director, Hemes Data Processing, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188,



Steps to boost investment this week

By Justin Long, Parliamentary Correspondent

THE GOVERNMENT will announce later this week further steps to stimulate industrial investment. These steps will be additional to the £300m. economic package put forward just before Christmas. Mr. Denis Healey, Chancellor of the Exchequer, told the Commons yesterday.

Reporting on the outcome of last week's International Monetary Fund meeting in Jamaica, Mr. Healey claimed that economic success of the Government had won from world Finance Ministers, not merely approval, but even envy. He brushed aside insinuations of opposition to the Government's policy which had elicited this admiration.

There was the "impressive success" of the £6 pay limit, now envied by a large number of Governments, declared the Chancellor. There was the "very significant advance on solving balance of payments problems," and, thirdly, the evidence of Britain's ability to ride through the world recession with lower levels of unemployment than most of her competitors.

The Chancellor ruled out any prospect of an early return to fixed exchange rates, pointing out that this was the view of the overwhelming majority of members of the IMF. That view would have to be reversed by 85 per cent. of the organisation's membership to secure the re-introduction of rigidity to the rate of exchange.

From the Opposition front bench, Sir Geoffrey Howe, "shadow" Chancellor, contended that there was some mystery about Mr. Healey's role in Jamaica. He had been reported as having accused third world countries of blackmail in their demands on the Fund. But there was also the question of whether the Chancellor, acting on behalf of Britain as a debtor nation had himself assumed the role of blackmailer.

Stability
Mr. Healey rejected both accusations as "intally untrue." He also dismissed the suggestion that the measures announced by the IMF would fuel further world inflation.

From the Tory backbenches, Mr. Norman Lamont, (C. Kingston, Uxbridge), urged the Chancellor to "stop lecturing countries like America and West Germany on their obligation to reflate their economies."

The Chancellor said he trusted that those countries would fulfil obligations given at Rambouillet, and he thought it would be wise to support them in the undertakings.

In his statement, Mr. Healey dealt with the exchange rate arrangements. There had been emphasis on the objective of stability, he said. This required the collaboration of all countries with each other and with the IMF and provided a framework for the possible re-introduction of a par value system in future.

But the arrangement recognised in a realistic manner the need for individual countries to be able to choose, within the framework of international co-operation, the basic exchange rate system they preferred.

These formal proposals were to be supplemented by greater practical collaboration between countries with leading world currencies over the day-to-day management of their exchange rate relationships.

On gold, the agreements already reached provisionally at the end of August, 1973, were confirmed. The role of gold as a central standard of value would cease and it would be replaced by the special drawing right, said Mr. Healey.

Coal stocks higher
COAL STOCKS amounted to 315m. tons on December 30, 1975. Mr. Alex Eadie, Under Secretary for Energy, stated in the Commons yesterday.

He described this figure as rather higher than in normal years in the recent past due to the prevailing low demand for energy.

Objectives for Ulster peace

BY PHILIP RAWSTORNE

THE GOVERNMENT yesterday promised determined and sustained action to strengthen security in Northern Ireland—and called on Ulster's politicians in return to renew the search for agreement on a power-sharing administration.

Without success in both objectives, the future of the Province held little hope. Mr. Harold Wilson told the Commons.

Gravely brushed in recognition of yet another critical stage in the development of Northern Ireland policy, the Commons gave overwhelming support to the decision to recall the Ulster Convention.

Its first report, said Mr. Merlyn Rees, Ulster Secretary, did not command sufficiently widespread acceptance throughout the community to provide a new system of stable and effective government. But the progress that it had achieved encouraged the Government to believe that an

administration providing some form of partnership and participation could be evolved.

There was, however, little sign of optimism on the Commons benches—and even less after Mr. Rees had given the Convention only four weeks to "accomplish its task."

But Mr. Rees insisted that there was a firm foundation of agreement on which to build—and the situation in Northern Ireland demanded that a stable government should be built quickly.

"We have every right to look to the Convention to provide that measure of agreement which will deprive those who pursue their violent ends of the basic political disagreements on which they thrive."

Mr. Airey Neave, Conservative spokesman, agreed, showing markedly more enthusiasm after the reassurances about security provided by the Prime Minister.

Republic equally set on stamping out cross-border banditry — PM

A NEW information system for an Army's use in Northern Ireland, based on automatic data processing, was announced by the Prime Minister in the Commons yesterday.

In a statement on further moves against terrorism, Mr. Wilson said that murder and violence had reached a new peak in South Armagh in the first few days of this year and the Government were right in treating the whole of the county as a special emergency area. "The security forces have stepped up their activity throughout this area," he said.

Giving examples, Mr. Wilson said there were more checkpoints for vehicles and people. "There is a much more extensive use of personal identity checks. These increased checks inevitably cause some inconvenience, but they must be accepted in the interests of the safety of the community as a whole."

Surveillance operations would be increased, particularly along the border, and powers under the Prevention of Terrorism (Temporary Provisions) Act, 1974, to question people within a mile of the border, would be used more extensively.

Intimidation of householders has made it necessary for more house searches in the area. But there is no intention of harassing the civilian population. "Existing powers to arrest and question suspects are sufficient, and they will be used to the full in this area with a view to bringing people to justice of the courts. There is no intention of arresting people at random."

Passes
Mr. Wilson said that the border presented a special problem. Some, but not all, of the gunmen operating in Armagh escaped to the other side of the border after their cowardly attacks.

A number of practical steps are being taken. A new information system, based on automatic data processing, is to be introduced by the Army to handle existing records so that information can be processed and acted upon more quickly.

More border roads can be closed if this is necessary for security reasons. We are studying urgently a number of other measures for greater control over vehicle movement, including a possible system of passes for unapproved vehicles using those roads which are permitted to remain open.

"But we must be sure that any measures we take will be effective, and not merely consume manpower without hindering the gunmen."

Mr. Wilson paid tribute to the co-operation being received from the Northern Ireland Convention to be reconvened from February 3. Mr. Merlyn Rees, Ulster Secretary, told MPs.

He said the Government wished the Convention to consider whether progress could be made on the basis of setting up a system of Government which, though not temporary, was capable of evolving over a period of time into permanent arrangements for co-operation between the two communities.

Mr. Rees, opening a Commons debate on the Convention report, said he hoped the Convention could make progress within four weeks.

Mr. Airey Neave "shadow" Ulster Secretary, said the Government was right to recall the Convention to consider further a Governmental system which could command widespread support, including that of the minority.

Mr. Rees said that continuing and appalling violence had undoubtedly added to the groundswell of opinion in Great Britain that we should withdraw and leave Northern Irishmen, whether Catholic or Protestant, to fend for themselves.

"The Government is in no doubt that this would be a grave mistake. It would solve nothing. I have no doubt that withdrawal, abandonment of our responsibilities to citizens of the U.K., would precipitate violence on an even greater scale than we have seen so far," he said.

"Withdrawal would be a shortsighted policy, but above all an irresponsible policy. Equally, a united Ireland is not in the gift of this Parliament."

There was no easy way out of the enmeshed and intricate problems. Para-military forces on both sides behaved with savagery, and reacted with savagery. "They are not taking part in some theoretical discussion in a drawing room or a weekly editorial conference."



Mr. Harold Wilson, the Prime Minister, arrives at the Commons to make his Ulster statement.

Mr. Edward Heath (C. Slidcup) said he fully supported the measures Mr. Wilson had announced but added: "I must warn you that the movement of forces you have sanctioned is inadequate to deal with the present situation which is now developing in Armagh."

The previous Conservative Government had been able to deal with the situation in Londonderry only by the use of overwhelming force. It was for this reason that the operation had been successful and that so little injury was caused to civilian personnel.

"I fear the problem is one of having sufficient numbers to deal with the situation. To move the Special Reserve Battalion and the SAS is not adequate."

Mr. Wilson replied that he took seriously the warning about the inadequacy of the movement of forces, but said the comparison between the present operation and Operation Motorman was not valid.

In Londonderry, the problem had been one of opening up "no-go" areas in the city. But only a small handful of men had been involved in the action against ten Protestant returnees from work in South Armagh.

"Their ability to escape the consequences of their cruel action so far was due entirely to their ability and to the fact that they were able to get across the border."

"I do not believe simple police to a new Northern Ireland legislature and executive."

He would soon publish the working party report on complaints against the police and hoped shortly to put before Parliament legislation to provide a new independent element in line with that proposed for England and Wales.

Mr. Rees added: "The Government would also be prepared to transfer responsibility for the administration of the prison services and for treatment of offenders generally, not later than the transfer of responsibility for the police."

Mr. Rees said he would publish shortly a White Paper containing these matters the Government wished the Convention to consider. The Prime Minister's requirements are for a more widespread acceptance throughout the community of some proposed system of government and for some form of acceptable partnership and participation.

"If these requirements can be met, then we could be in sight of a government within Northern Ireland which is common ground for all. I hope that the Convention can make progress on these matters within a period of four weeks."

Mr. Rees emphasised that Northern Ireland would continue to be governed by and from the Parliament at Westminster. The Convention is not, and cannot be, an advisory body to the Government for all. I hope that the Convention will soon come to an end and I have no power to prolong its existence.

Asked by the Liberal Leader, Mr. Jeremy Thorpe, to confirm that he was advocating power-sharing—and if that is not acceptable, direct rule will continue—Mr. Rees replied that the Government had to find a way which would involve both the communities in government.

LABOUR NEWS

Steel industrial action threatens to spread

BY LORELIES OLSLAGER, LABOUR STAFF

INDUSTRIAL action threatened to spread in Wales yesterday over the British Steel Corporation's labour-saving plans, but shop-floor leaders of about 20,000 Scottish steel workers decided against a strike.

The action in Wales could soon become a serious threat to production in BSC's tin plate division, one of the five divisions where the order book position has improved recently.

For the time being at least, the unrest in Wales is not in direct opposition to the modified savings plan offered by BSC to the unions after marathon talks last week.

It stems from previous attempts by the Corporation to unilaterally introduce labour economies at a large number of plants.

In Scotland, on the other hand, a delegate meeting of the Iron and Steel Trades Confederation

decided against strikes, but the concessions it made last week.

The latest unrest in Wales is at the Tonstree and Velindre works in the tin plate division where a joint union committee called for strike action from Thursday unless the management withdrew unilaterally imposed reductions in week-end working.

The committee is also demanding payment for those men who reported for work the Sunday, before last, in spite of manure instructions to stay away.

The demands are very similar to those by about 1,000 workers on strike at the Port Talbot works, who have decided to stay out until Thursday, at least, as they have applied compulsory redundancy on a first-in, first-out basis, the cheapest method for the employer.

After objections by the trade unions, it agreed to allow redundancy "inquiries" from the workforce which commits neither the workers nor the company to any decision if they have second thoughts and the company can't let it go.

Chrysler has said that it may not be possible to let all the volunteers go because of the need to retain a balance of skills in the different factories. This is particularly important because production is to be moved round and new models introduced, which will involve a change in the balance of skills to those normally required.

The scheme is based on the status quo. Redundancy terms are to be based on the current situation. Chrysler believes that the 4,300 workers could be shed without breaching the cost parameters laid down.

A SURPRISING 2,000 of 7,000 employees at Chrysler's Scotland plant at Linwood have opted for voluntary redundancy under the Government-assisted scheme.

The 2,000 is a far higher figure than the management had expected. It bears out suspicions that workers at Linwood will be able to find alternative employment elsewhere in the country, which is also suffering from a high unemployment level.

At the Stoke engine plant at Coventry, which returned to work yesterday, about one in four of the 4,000 workers have opted for voluntary redundancy.

This again is a higher figure than had been thought likely in view of the already high figure of unemployment in the city—more than 6 per cent.

At the Avenger car works at Ryton, about 700 of the former 3,000 workers have put their names down for redundancy.

The 4,300 workers who have opted for voluntary redundancy—applications close to-day—represent about two-thirds of laid down.

Shop stewards representing seven depots in the Silcock and Colling Group decided in a ballot of about 100 drivers at Coventry to continue a stoppage against increased productivity demands which is hampering the supply of cars from the plant.

They are supporting nine yard staff who complain they need extra staff. Four are said to have been dismissed recently.

The management said yesterday that it was willing to discuss the dispute soon. Work resumed at the plant after a refusal to break the picket lines and are actively supporting staff.

Shop stewards representing seven depots in the Silcock and Colling Group decided in a ballot of about 100 drivers at Coventry to continue a stoppage against increased productivity demands which is hampering the supply of cars from the plant.

They are supporting nine yard staff who complain they need extra staff. Four are said to have been dismissed recently.

The management said yesterday that it was willing to discuss the dispute soon. Work resumed at the plant after a refusal to break the picket lines and are actively supporting staff.

Shop stewards representing seven depots in the Silcock and Colling Group decided in a ballot of about 100 drivers at Coventry to continue a stoppage against increased productivity demands which is hampering the supply of cars from the plant.

They are supporting nine yard staff who complain they need extra staff. Four are said to have been dismissed recently.

The management said yesterday that it was willing to discuss the dispute soon. Work resumed at the plant after a refusal to break the picket lines and are actively supporting staff.

Shop stewards representing seven depots in the Silcock and Colling Group decided in a ballot of about 100 drivers at Coventry to continue a stoppage against increased productivity demands which is hampering the supply of cars from the plant.

They are supporting nine yard staff who complain they need extra staff. Four are said to have been dismissed recently.

The management said yesterday that it was willing to discuss the dispute soon. Work resumed at the plant after a refusal to break the picket lines and are actively supporting staff.

Cut out disputes, Leyland men told

By Christian Tyler, Labour Staff

A WARNING to Leyland car workers to cut out unnecessary disputes and stoppages came yesterday from Mr. Harry Urwin, deputy general secretary of the Transport and General Workers Union.

The warning, from one of the trade union movement's most influential figures, coincided with shop-floor elections at the troubled Cowley car assembly plant which have been preceded by public denunciation of "extremists" by a senior TGWU steward.

Results of the elections for seven posts of deputy senior steward, probably will be known to-day. Mr. Alan Thorpe, the TGWU branch chairman, known as "The Mole" for his underground activities, is one of 34 candidates.

Mr. Urwin, an architect of the Ryder report that led to the rescue of British Leyland, and a member of the National Enterprise Board, said that workers must give the company maximum co-operation.

"Message clear"
"Let us not forget this. The Government owns Leyland, which means that we own it and, as taxpayers, we are the shareholders. If you like."

"The message is clear for Leyland and its workers. Unless the volume of production is raised, unless unnecessary disputes and other interruptions are eliminated, there is no point in investing more money."

Nationalisation of Leyland could be a major success. The workers' participation scheme should be used to sort out problems, said Mr. Urwin, writing in the TGWU newspaper, The Highway.

At Cowley a heavy turn-out was reported for the shop-floor ballot of 3,500 TGWU workers, which the moderate "faction" construed as a good omen.

A last-minute attempt was made by one branch to have the election postponed and conducted by the Electoral Reform Society.

Mr. Tim O'Sullivan, branch chairman, said that the branch was already seeking an investigation into recent elections for "abnormally high" voting figures.

'Bandwagon' warning
MR. LEN MURRAY, TUC general secretary, said yesterday that outsiders were trying to cash in on the increased health and safety training needs of industry.

He was speaking on the training needed for the new trade union health and safety representatives at the opening of the Association of Scientific, Technical and Managerial Staffs (Whitfield) College at Bishop's Cleeve, Shropshire.

There are already signs that outside organisations, some of them anxious to make a quick pound for themselves, are making out offices and factories a safer place to work in, want to jump on the training bandwagon," he said.

"We have had a bellyful of those people with their £50-a-day courses financed often by experts ICI to recognise it if it achieves an overall majority."

The Association of Scientific, Technical and Managerial Staffs (Whitfield) College at Bishop's Cleeve, Shropshire.

There are already signs that outside organisations, some of them anxious to make a quick pound for themselves, are making out offices and factories a safer place to work in, want to jump on the training bandwagon," he said.

"We have had a bellyful of those people with their £50-a-day courses financed often by experts ICI to recognise it if it achieves an overall majority."

The Association of Scientific, Technical and Managerial Staffs (Whitfield) College at Bishop's Cleeve, Shropshire.

There are already signs that outside organisations, some of them anxious to make a quick pound for themselves, are making out offices and factories a safer place to work in, want to jump on the training bandwagon," he said.

Linwood volunteers for redundancy now total 2,000

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

A SURPRISING 2,000 of 7,000 employees at Chrysler's Scotland plant at Linwood have opted for voluntary redundancy under the Government-assisted scheme.

The 2,000 is a far higher figure than the management had expected. It bears out suspicions that workers at Linwood will be able to find alternative employment elsewhere in the country, which is also suffering from a high unemployment level.

At the Stoke engine plant at Coventry, which returned to work yesterday, about one in four of the 4,000 workers have opted for voluntary redundancy.

This again is a higher figure than had been thought likely in view of the already high figure of unemployment in the city—more than 6 per cent.

At the Avenger car works at Ryton, about 700 of the former 3,000 workers have put their names down for redundancy.

The 4,300 workers who have opted for voluntary redundancy—applications close to-day—represent about two-thirds of laid down.

Shop stewards representing seven depots in the Silcock and Colling Group decided in a ballot of about 100 drivers at Coventry to continue a stoppage against increased productivity demands which is hampering the supply of cars from the plant.

They are supporting nine yard staff who complain they need extra staff. Four are said to have been dismissed recently.

The management said yesterday that it was willing to discuss the dispute soon. Work resumed at the plant after a refusal to break the picket lines and are actively supporting staff.

Shop stewards representing seven depots in the Silcock and Colling Group decided in a ballot of about 100 drivers at Coventry to continue a stoppage against increased productivity demands which is hampering the supply of cars from the plant.

They are supporting nine yard staff who complain they need extra staff. Four are said to have been dismissed recently.

The management said yesterday that it was willing to discuss the dispute soon. Work resumed at the plant after a refusal to break the picket lines and are actively supporting staff.

Shop stewards representing seven depots in the Silcock and Colling Group decided in a ballot of about 100 drivers at Coventry to continue a stoppage against increased productivity demands which is hampering the supply of cars from the plant.

They are supporting nine yard staff who complain they need extra staff. Four are said to have been dismissed recently.

The management said yesterday that it was willing to discuss the dispute soon. Work resumed at the plant after a refusal to break the picket lines and are actively supporting staff.

Shop stewards representing seven depots in the Silcock and Colling Group decided in a ballot of about 100 drivers at Coventry to continue a stoppage against increased productivity demands which is hampering the supply of cars from the plant.

They are supporting nine yard staff who complain they need extra staff. Four are said to have been dismissed recently.

The management said yesterday that it was willing to discuss the dispute soon. Work resumed at the plant after a refusal to break the picket lines and are actively supporting staff.

Shop stewards representing seven depots in the Silcock and Colling Group decided in a ballot of about 100 drivers at Coventry to continue a stoppage against increased productivity demands which is hampering the supply of cars from the plant.

Raise rates, councils told

BY LORELIES OLSLAGER, LABOUR STAFF

THE NATIONAL and Local Government Officers Association yesterday opened a new publicity campaign against cuts in public expenditure, a deficit spending with a call to local authorities "seriously to consider introducing rate increases this year."

The union's leaders, who represent 600,000 white-collar staff in local government and public utilities, also threatened that they might refuse to co-operate in the next stage of income policy if the Government's review of public spending resulted in massive cuts leading "to the dismantling of the fabric of our services."

On the whole the union refrained from threats or militant statements, hoping to achieve its objectives by argument and influencing public opinion.

To launch its campaign, it has the union had agreed, reduce a viable industrial base.

Printers claim full £6

BY OUR LABOUR STAFF

UNIONS representing 200,000 printers in provincial newspapers and in general printing, are to claim the 25-a-week pay men paid in November will have the allowed by Government. It is deducted from the 16 in policy.

The unions will demand that in basic rates have different effects on overtime earnings. In April, it is open-ended, so that unions are discussing ways ensuring that all members get the full balance of the £6.

Technical and Managerial Staffs (Whitfield) College at Bishop's Cleeve, Shropshire.

There are already signs that outside organisations, some of them anxious to make a quick pound for themselves, are making out offices and factories a safer place to work in, want to jump on the training bandwagon," he said.

"We have had a bellyful of those people with their £50-a-day courses financed often by experts ICI to recognise it if it achieves an overall majority."

The Association of Scientific, Technical and Managerial Staffs (Whitfield) College at Bishop's Cleeve, Shropshire.

There are already signs that outside organisations, some of them anxious to make a quick pound for themselves, are making out offices and factories a safer place to work in, want to jump on the training bandwagon," he said.

"We have had a bellyful of those people with their £50-a-day courses financed often by experts ICI to recognise it if it achieves an overall majority."

The Association of Scientific, Technical and Managerial Staffs (Whitfield) College at Bishop's Cleeve, Shropshire.

There are already signs that outside organisations, some of them anxious to make a quick pound for themselves, are making out offices and factories a safer place to work in, want to jump on the training bandwagon," he said.

The Executive's World

Volkswagen expects a profits recovery this year. Terry Dodsworth describes

The post-Beetle age of VW

SEVEN MONTHS ago, Herr H. Schmücker became chairman of the management Board Volkswagen at a time of unparalleled crisis. After three decades of virtually uninterrupted growth the company had plunged into a massive £140m. loss, the consequence of an expensive crash development programme during a period of dramatically rising markets. Borrowings had risen alarmingly, bitter arguments were going on between the management and workers, and morale had ebbed away.

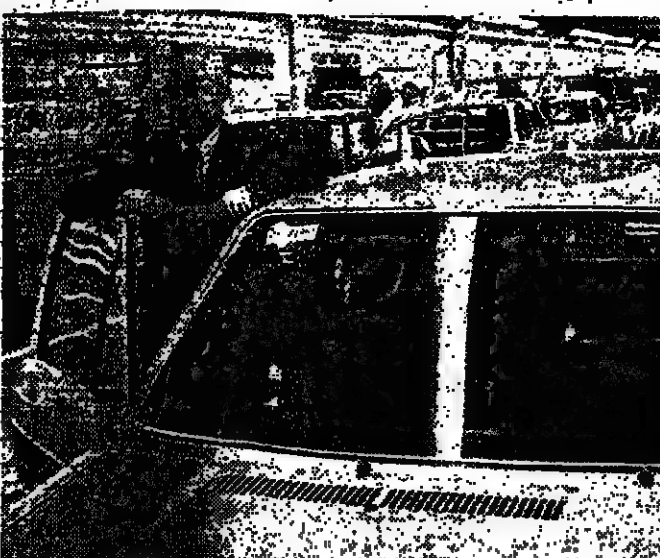
The situation has been transformed since then. This year a company is all set to return to profit—a modest one, according to Herr Schmücker, "a figure that will impress compared to where we came from." The new model range, almost all on stream and winning acceptance, with the Golf established as one of the best runners in the new generation of European cars. A high redundancy programme has been pushed through, stocks reduced and borrowings cut back to normal again.

Strength

Despite underlying financial strength from profits sailed away in the Beetle era, there is little question that VW's immediate problems were a year ago. Short term borrowings had risen to £1.5bn. (£1.5bn.) from £0.5bn. (£500m.) a year before and DM1.5bn. (£360m.) in 1972, long term debt had nearly doubled in a year DM1.7bn. (£322m.). According to Herr Schmücker, the company's liquidity had deteriorated to a point where it was a danger of strangling itself. Liquidity problems having ached the "upper limit" of its growing facility.

At the same time, VW was doing \$200 on every car it sold in America, a market which had been at the root of the group's idea of success in the 60s. Stocks of unsold cars rose to high levels (which partly accounted for its high borrowing), and it seemed that the red market held out little hope of a pick up in sales. In addition, the company which had made itself a by-word for production efficiency had become stranded.

There was one bright spot in the picture of gloom. Against the odds, Herr Schmücker's predecessor Herr Rudolf Leig had bulldozed through a complete new model range to put in certain key areas (probably over the ageing Beetle) by 10 per cent. In the space of three at VW proper, up slightly at



Herr H. Schmücker with new VW Golf.

years he had forced through almost all the design and development of the new cars, switched the giant Wolfsburg plant over to four model ranges instead of the Beetle, and installed masses of new automated production equipment, all at a time when the world car market was going through one of its most serious depressions.

Nothing had ever been seen like this before. When Henry Ford abandoned the Model T—the only comparable vehicle to the Beetle—his plant for a year lost market leadership and never regained it. At the end of its metamorphosis VW has emerged with a competitive range of cars, to a degree of interchangeability between parts, panels and engines.

This underlying strength in its model range allowed Herr Schmücker to concentrate on one major issue in his first months at VW—how to get the workforce down by about 25,000, to an appropriate level.

Increasingly the redundancy plan led to bitter conflict and argument. But Herr Schmücker stuck to his guns, and success in this area, he insists, accounts for at least half of the turnaround. His strategy was to accept the high cost of working below capacity—VW is today operating at about 88 per cent of its installed capacity—but at the same time to push back the rising labour costs to the

Audi), has allowed VW to tackle its overstocking problem. Profits have deliberately been given priority over both production volume and market share as VW has switched into a phase of building little for stock and accepting the embarrassment of supply shortages if necessary.

Although this has inevitably led to some supply problems as stocks have run down and some markets unexpectedly picked up, by bringing stocks into the right proportion VW appears to have mastered its other main problem of high borrowings and low liquidity.

The most striking feature of VW's turnaround is that it has been achieved with few visible management changes. Herr Schmücker is a remorseless taskmaster working 16 hours a day and expecting equal dedication from his management team. But there has been no influx of outsiders. "I believe that by the law of averages there must be enough capable people in a workforce of 200,000 people."

And, change has apparently come by a process of gradually tightening management and financial control in central parts of the company rather than any dramatic bloodletting.

In the design department, for instance, much more stringent cost analysis is being applied than in the days when only the Beetle was good enough for the Beetle, and somewhat stricter budgeting devices have been imposed throughout the company.

The new model programme is already mapped out and costed with these objects in mind until the end of the decade. Barring the most unforeseen circumstances, there will be no repetition of the crash DM2.5bn.

(£475m.) investment programme which saw the new range of cars onto the road. That was necessary and brilliantly executed, says Herr Schmücker but was far too expensive to be repeated.

He also argues that there is no reason why VW should not move to a more measured pattern of model introductions, despite the argument of many competitors that, because of the sudden introduction of the new range, VW will be faced with the awkward problem of financing replacements all at the same time. The new measures on cost control have been designed to give a careful allocation of funds for research and development over the next few years and give VW a more traditional method of model introduction.

On the model side, one of the main immediate objectives will be to give more differentiation to the Audi marque as the group's up-market product. The new large Audi, due sometime this year, for example, will not have a Volkswagen version—unlike, for example the Audi 50 (the VW Polo) or the Audi 80 (the Passat).

Other questions which remain on the drawing board for VW are diversification and co-operative manufacturing ventures. On diversification, Herr Schmücker is notably cool.

VW's future will be decided by its ability to make motor cars, he says, although there are "vague" discussions going on with MAN, the West German truck manufacturer, about some form of link between them.

On co-operative manufacturing of components he is much more positive. This he argues, is the way forward for the European industry rather than more mergers, and VW is having discussions with other companies on such joint ventures.

The main problem confronting Herr Schmücker this year, however, concerns the question of whether or not VW should build an overseas assembly plant in the U.S.

The decision could produce as traumatic a reaction as last year's redundancy programme, for if VW decides to invest in America it will be argued that this could lead to a considerable export of jobs. The company will be aiming for a factory capacity of 200,000 vehicles a year, as against sales of 275,000 in the U.S. last year. On the other hand, if it does not invest in the U.S. soon, its high European costs may force it to lose more of the market to competitors.

The battle in America, where the Japanese car manufacturers are in the ascendant, will be won or lost on the grounds of quality and there is no doubt VW's present commitment to improving its products after a spell when standards dropped during the introduction of the new range. This is now one of the main shop floor issues, with the introduction of a system of quality audits in which models are taken off the production line during each shift, the faults identified, and individual workers shown where they have gone wrong.

Herr Schmücker's concern with quality, and the emphasis he places upon the workers' individual responsibility, is characteristic of his approach to management. Communications is one of the few subjects that patently excite him, and it is recognised throughout the company that he has made a tangible effort to explain and discuss his policies with the workforce.

Once every two months he meets a select group from the 750-strong "leading employees" organisation of top supervisors, and it has now become an established tradition that he addresses the statutory mass meeting of workers every quarter. He personally explained the decision to sack 25,000 workers at one of these mass meetings and was applauded at the end.

Reputation

Despite the clear talent this shows for leadership, Herr Schmücker, 54, is not at all flamboyant and has a prickly reputation with photographers or reporters who try to pry into his private life. Behind his attitude is a genuine distaste for demagoguery. But he is also determined, at a company policy level, to avoid the aura that built up around his office during the reign of the legendary autocrat, Herr Heinrich Nordhoff, the man who took the Beetle to its pre-eminence and refused to countenance most other model developments.

To a certain extent, the problems of this company were and still are psychological. It is hard to create the necessary awareness of people to the fact that we are no longer the best and that we know all the answers," says Herr Schmücker. The way to produce the right kind of attitudes, he believes, is by bringing more people close to the important decisions. "The last thing that should happen here is that we should have another Emperor. You can't have communication when you have a King who behaves like a King."

Heineken's 'locals'

BY KENNETH GOODING

HEINEKEN, ONE of Europe's half-dozen largest brewing businesses, has rapidly increased its international influence over the past five years by switching the emphasis away from direct export to the local production of beer in countries outside its native Holland.

The change in policy has opened up markets apparently tightly closed against Heineken, markets like the U.K., Norway and Italy for example.

Italy and Norway were opened up by 1975 as were St. Lucia and Indonesia and this year Heineken expects to spread its interests into Ecuador and Tahiti and increase its presence in Greece.

The method the Dutch group has chosen to build up its international business highlights some of the problems facing any major U.K. group wishing to do the same kind of thing.

Heineken has two approaches when launching into the local production of beer outside Holland—often they run hand in hand. It can license a local brewer to produce under Dutch supervision, the Heineken brand of lager. Or it can acquire a shareholding in a local brewing group and handle both Heineken and other brands through the company it has taken over.

Example

The U.K. provides a fine example of the first approach. Heineken's exports to the U.K. were minimal. Then it tied up with Whitbread, third largest of the British brewers, and Whitbread, with its 8,600 pubs and off-licences and its extensive "free" trade operations, has built the brand swiftly to the point where it has around 15 per cent of the U.K. lager market and sales must be running at roughly 1m. bulk barrels (or 525m. pints) a year. At the same time the British taste for lager is still growing at a considerable rate—it is the fastest-growing sector of the total beer market—and by the end of the 1970s lager should account for up to 30 per cent of all beer sales. Heineken should retain a good share of this larger lager market.

It is this particular approach to increasing international business which is not readily available to the U.K. brewers. For the British style of beer finds very little popularity outside the U.K. itself whereas lager-type beer, brewed in a different way, is immediately acceptable to the world over.

Because there is no market for British ale outside the U.K. there is very little the brewers here can do about arranging franchise operations overseas. To be sure Guinness has had some success with its product, which is not really a "typical" British beer, and is rapidly building on that success. Allied Breweries, which disputes top place among the U.K. brewers with Bass Charrington, has set up an international franchise operation but had to invent a new lager, called Skol, to work with.

So, while Bass, Whitbread, Watney and Courage all have



Mr. A. H. Heineken, the brewery's chairman

of rival brewers round the world. For the "control" exercised is technical, not financial. It is Heineken's way of making sure that the quality of the Heineken brand remains the same wherever in the world it is produced.

So Heineken's technical services division has developed even the capacity to take on "turnkey" engineering schemes and is selling this service to brewers round the world. It is, for example, supervising the building of two breweries in Portugal at the moment. But its major achievement so far has been the successful designing, building and commissioning of Heineken's own giant brewery at Zoeterwoude. That cost Frs.200m. (£37m) and has a capacity of 7.5m. hectolitres which could inexpensively be lifted considerably.

Heineken only recently reorganised its management structure once again because it has been so disappointed with the lack of progress towards harmonisation among the Common Market brewing industries. An ardent campaigner for harmonisation, Heineken some years ago created a "European" division which included its home market. Now it has switched back to a structure where all other EEC countries are treated as "international" territories.

This is because it feels that agreement on the harmonisation of such things as duties and laws and the removal of tariff barriers is so very far ahead where the brewing industry is concerned.

Division

So now all the Netherlands' operations—beer, wines, spirits and soft drinks—have been placed for management purposes into a separate division. The other European countries are part of a new "international" division.

"The problems of managing our interests in the EEC countries apart from Holland are much more similar to those for territories outside Europe than the problems we meet in the Netherlands," says Mr. J. van der Werf, managing director and chairman, European division.

He maintains that the European brewers have more or less stopped seriously discussing harmonisation problems, so what has the gap between the main brewing countries.

Dow's women have chance to step up in the world

AST THURSDAY evening, a group, and to in general in evidence. But what was interesting about the event was firstly, that it was the first talk given by Dow outside the company on its "Women's equal opportunity programme". Secondly, it more or less coincided — inadvertently, but fortuitously — with the arrival at a phase of the programme which requires the company to look increasingly outside its own confines for women staff at management level.

Ms. Maag has masterminded the programme in Europe since its inception four years ago. She has a counterpart in the U.S., Mary Lou Dennison. The plan originated from Mr. C. Benson Branch, who took over as Dow chairman five years ago. Prior to his initiative women in Dow had been barred from virtually everything except secretarial and very junior administrative positions.

The programme forms part of a wide policy of improving human relations — something Dow feels it has succeeded in doing for close on 80 years—but, as Ms. Maag admits, it is also that "to be completely blunt about it, Dow believes that it is just good business to make the best use of all human potential."

At the outset of the programme in 1972 there were, in Europe, just 47 women holding professional level jobs in Europe—or 3 per cent of total professional employees. To-day, there are 156 women out of a total 1,800 jobs—representing 8½ per cent. Including the Dow Lepetit subsidiary in Europe improves the ratio still further.

Adamant Ms. Maag—who remains attached to Dow's personnel division while carrying through the programme—is adamant that the programme merely gives women equal opportunity with men if they want to take it. No concessions are made just because of who they are—a factor which sometimes has to be pointed out to certain women when they seek some opportunity not afforded to men. Then, there are usual barriers to contend with like male prejudices and, equally, prejudices of women against working for other women.

Ms. Maag spreads the word by direct communication with groups of women and by talking to personnel directors and general managers (equivalent to local managing directors) in European countries within which Dow operates, such as Germany, Holland, France, U.K.,

Belgium, Italy, Spain, Sweden, Norway and Switzerland. A continuous monitoring operation takes place to see, for example, how far women have progressed in catching up on male salary levels.

The kind of progress made is revealed in following statistics: seven female medical doctors and 23 women selling pharmaceutical products in the field; 16 women in Dow Lepetit in positions such as plant foremen (or forewomen?), production managers, quality control engineers; 21 positions in accounting; 16 women in employee relations (representing 17 per cent of total professional level employees here); 69 in medical and research positions and 97 in sales.

Ms. Maag has found that, as expected, equal opportunities for women are taken for granted in Eastern Europe and Sweden, while Latin countries are still hide-bound by so-called male superiority. But, surprisingly, "Spain has registered an outstanding performance," she says, with the same holding true for Greece.

Dow's aim is to improve the ratio of professional men and women. But, clearly, the result of the programme to date in terms of existing staff must be satisfactory since Ms. Maag comments that "as for promotions within, we may have already reached an optimum level. Further promotions would polish up our statistics, but we must also seriously consider the professionalism or our organisation."

Thus, the company sees as an essential next step the hiring of qualified female graduates "in significant numbers to provide our core for future promotional opportunities. We fully realise that we cannot make real progress by concentrating only on the promotion of members of our current female staff. In many, if not all cases, their qualifications will ultimately limit their progress—and ours as a company."

Meanwhile, Ms. Maag must feel satisfied in the knowledge that the success of the programme in percentage terms—if not in absolute numbers—has been greater so far in Europe than in the U.S.

NICHOLAS LESLIE

'RHM foods have become bigger in Cleveland. Everything's there.'



RHM Foods Limited in Cleveland have one of the biggest British food manufacturing sites, producing well known household brands such as Chesswood, Sharwood's and Atora. Cleveland has given us the resources of space, people and transport to meet our expansion needs.

That was RHM's comment on their choice of Cleveland County for expansion. Cleveland has advance factories and factory sites waiting for you. Send for the Cleveland literature and find out about Britain's newest and most exciting development area.

To the County Planning Officer, Cleveland County, Gurney House, Gurney St., Middlesbrough, Cleveland, Tel: (0642) 48155.

Please send me the Cleveland literature.

Name _____

Company _____

Position _____ Tel. _____

Address _____

FT(1)

Cleveland County - The new centre in the North East

How to weather it.



No.1.

Grants of St. James's ha. fork lift trucks in their fleet.

They were costing the company a great deal in maintenance and repair costs. Particularly in terms of short battery life.

These were the sort of costs that in the present economic climate were just not healthy.

How did they weather it?

A special training scheme was introduced which would be equally suitable for both large and small locations. Specialist instructors were called in to give refresher training to the staff drivers and also to train prospective drivers who had passed the company's initial selection tests.

All drivers were then examined for the official 'end' test recommended by the Joint Training Boards Fork Truck Training Committee. They all passed.

The benefits to Grants of St. James's were these. Lower maintenance costs. Doubled battery life. And improved safety records.

If there is any area in your business operation that you feel could benefit from a training scheme contact The Industrial Training Board for your industry. Either direct or through the TSA.

TRAINING SERVICES AGENCY

*An executive arm of the Manpower Services Commission.

Case study prepared from information supplied by Grants of St. James's Ltd. and the Food, Drink & Tobacco Industry Training Board.

THE FINANCIAL TIMES

(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1844)

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.
Telephone Day & Night: 01-248 8000. Telegrams: Financial, London.
Telex: 836341/2, 832597

For Share Index and Business News Summary Ring: 01-248 8026

Branches: Glasgow, George Street, 041-224 1111. Edinburgh, 031-224 1111. Dublin, 01-454 9922. Manchester, 061-224 1111. New York, 212-850 1111. Paris, 01-454 9922. Rome, 06-478 1111. Stockholm, 08-478 1111. Tokyo, 03-321 1111.

TUESDAY, JANUARY 13, 1976

The deadline for Ulster

IT IS UNWISE ever to be optimistic about Northern Ireland, yet the killings in the first few days of this year do at least seem to have had the effect of concentrating the mind on how bad the situation has become. There has already been a strengthening of security measures and yesterday Mr. Merlyn Rees, the Northern Ireland Secretary, announced new political measures, including the reconvening of the Ulster Convention, to the House of Commons.

Convention

The security measures themselves should not be underestimated. They are not confined to the rather spectacular despatch of members of the SAS to South Armagh. As Mr. Wilson said in his debate before yesterday's debate, border surveillance in general is being stepped up and there is now close co-operation between the Royal Ulster Constabulary and the Irish police. Charged by Mr. Heath that the security forces were still too small, Mr. Wilson seemed to mean it when he replied: "Whatever forces are needed to make a success of this operation will be made available."

Strengthened security measures were necessary in any case, but it is clear that Westminster is seeking to capitalise on the revision against the killings by showing that it means business. If it can reduce the violence by the extremists of both sides, then there may be a better chance of moving towards a political solution. As of now—and it is admittedly very early to judge—this point seems to be being taken. It was very noticeable, for example, that Mr. Gerry Fitt, the leader of the SDLP, yesterday took a much more temperate line towards the SAS. Last week he had compared it to the American Central Intelligence Agency, yesterday he simply sought assurances that the SAS troops would be under strict military discipline and the same instructions as any other regiment.

Higher prices in the pipeline

THE REVISED ESTIMATE of retail sales in November, half a point down on the provisional estimate, shows that the volume of spending was steady in the autumn at a level slightly higher than in the depressed period which followed the pre- and post-Budget spree. But the October-November average was no less than 3.1 per cent lower than during the fourth quarter of 1974 and the first quarter of 1975. Retail sales are only a part of consumer expenditure, but on this occasion they are an accurate guide to the more general trend. The national income figures for the third quarter confirm the impression given by figures already published, that gross personal income has been rising more slowly than prices and disposable income after tax more slowly still. It is the combination of wage restraint and rising prices which has depressed consumer spending.

Rising costs

At the moment, in fact, competition for a lower volume of business is itself helping to keep the inflation of consumer prices to a minimum, and even those (like ourselves) who hold that the restrictions of the Price Code on profit margins should be relaxed believe that the first impact of such a relaxation would be largely psychological. But even intense competition cannot prevent prices from rising when costs of labour and raw materials are rising fast. So far as labour costs are concerned—and they are the more important factor in getting inflation under control—the large increases negotiated before last August are still having some effect and the full benefit of voluntary restraint has yet to come through.

So far as materials are concerned, the outlook is difficult to forecast. Periods of particularly sharp cost increases during the past 12 months have been caused by higher oil prices or a weak exchange rate—in steel, by both together. The additional risk in 1976 is that some commodity prices will begin to move up again with

Security apart, the other arm of the Westminster policy is to give one more chance to the Ulster Convention. The time limit announced by Mr. Rees is even shorter than had been generally expected. There will be a White Paper on what the Convention might do some time before the end of the month. The Convention will then meet on February 3, but will have only four weeks in which to seek to reach an agreement, though obviously a brief extension would be granted if agreement were in sight.

Mr. Rees has made some concessions along the way—the dropping of the idea of the Council of Ireland, for example, and the use of the words "partnership" instead of "power sharing." But it is also clear that by setting such a tight deadline he is again seeking to take advantage of the revision against the latest killings. What he is saying in effect is that here is the last chance for some consideration of the Ulster parties to show that they can work together. If they cannot, the alternative is direct rule. Anyone who doubts that should look again at the opening part of his speech where he warned that there could be no British withdrawal.

Consensus

Of course, the extremists of either side or both can wreck the plan. But it should be plain that the result of this would be only the end of another experiment and the beginning of a new and probably long chapter of control from Westminster. Possibly, given the failure of the Ulster parties to agree in the past, this is the inevitable outcome. Yet it is important that the experiment should be made, if only to place the onus for breakdown firmly where it belongs—on the Ulster politicians who cannot in any circumstances get together. Neither Westminster nor the people of the rest of the U.K. like the idea, but there is still a consensus that direct rule is preferable to withdrawal.

Trend-spotting

The latest wholesale price figures, even if they can throw no light on this particular area, do have implications for the future. The indices of wholesale output prices give a good idea of the way in which retail prices will be moving during the next few months; the indices of input prices look even further forward while also giving some advance indication of import costs. Output prices rose faster in December than in the previous month, but wholly because of sharp rises in the price of petroleum products; the annual rate of inflation in the fourth quarter was 14 per cent, and so far as non-food industries are concerned, fell quarter by quarter throughout the year.

The index of input prices rose by only 1 per cent in December, but this overall figure conceals the divergent experience of the food-processing and other manufacturing industries. The fuel and material costs of the former have risen by over 20 per cent in the past 12 months while those of the latter have risen by under 14 per cent, but there are now faint signs of a possible shift in the other direction. While higher prices for home-produced food materials (which look like continuing to rise) were partly offset in December by lower prices for imported cereals, a wide range of imported raw material costs for other industries were higher—crude oil most notably, because of a further drop in the sterling-dollar exchange rate. This is the trend which will have to be watched most carefully in the months ahead.

The four-day Commons debate on devolution, which opens to-day, follows a weekend of urgent political manoeuvring north of the Border, where a break-away Scottish Labour Party has already been established and the Conservatives, too, face internal conflicts. Chris Baur, in Edinburgh, discusses the precariousness of the Government's strategy.

Labour's Scottish gamble

AN EXTRACT from the official report of the Canadian House of Commons debates, vol. 119, No. 218, December 4, 1975: Oral Questions—

"Hon. J. A. Maclean (Montreal): ... I would like to ask the Prime Minister a rather good-natured question. In the light of the apparent imminent independence of Scotland, is it the intention of the Prime Minister to appoint the Secretary of State for External Affairs as (our) first ambassador to Scotland?"

Some Hon. Members: Hear, Hear! Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think there are many people on this side of the House who would be prepared to volunteer for such a job. We are not suggesting that is the direction events will take. If they do, we have contingency plans, including my wife who is a Scottish Nationalist.

Distance clearly lends enchantment to some of the most vexatious issues. This week's debate at Westminster about Scotland's political conundrum is unlikely to be such an indulgent affair as last month's good-humoured little exchange in the Canadian House of Commons. At the start of the so-called "great debate" on devolution, the room for such banter has been severely restricted by the extreme precariousness of the strategy on which the Government has now embarked north of the Border.

Opposing pressures

In building its devolution package for Scotland, the Government has had to try to reconcile two opposing pressures. It has had to determine first what would be the minimum collection of assembly powers likely to capture a consensus in Scotland and so stop the disruptive growth of the Scottish Nationalists. Second, it has had to decide what would be the maximum degree of autonomy which an unsure and sceptical House of Commons would allow to be transferred to a subsidiary parliament sitting in Edinburgh.

The first of these pressures

has become intensely difficult to judge because of the ambiguity of Scottish public opinion. The indicators since the White Paper was published have been almost universally discouraging for the Government. Two regional government by-elections at Bo'ness and Bishopbriggs were won by the Scottish National Party on gigantic swings. The opinion pollsters have also been at work. Their early December sample confirmed a dramatic surge of support for the SNP, putting the Nationalists seven points ahead of Labour for the first time on a top-rating of 37 per cent. At that level the SNP would be teetering on the very edge of a landslide towards a majority of Scotland's 71 seats at a general election.

Impact of the campaign

This tide could abate. One cannot tell what the impact of the Labour Party's pro-White Paper campaign is going to be between now and March, nor, in the longer term, what discipline will be imposed on ending party allegiances by the increasingly stark choice of "devolution or separation," that is bound to be portrayed by both Labour and Conservative organisations.

In the immediate aftermath of the White Paper, however, it seems clear that the singular achievement of the Government's proposals has been to polarise Scottish opinion, with a tendency to drive voters gradually towards the "maximalist" stance: 47 per cent now want anything from the status quo to the "minimalist" solution now offered, compared with 64 per cent in May last year, while 49 per cent want anything from federation to complete independence, compared with 33 per cent last May.

This process has undoubtedly been aided by the howls of protest which seemed to greet the devolution proposals from almost all quarters except the Labour Party establishment as soon as they were published. In the weeks since then four main areas of dissent have emerged in Scotland.

The first of these concerns

the lengthened two-sessions procedure announced by the Government shortly before the White Paper was published will mean producing a Devolution Bill some time this spring, and re-introducing it in the autumn at the beginning of the 1976-77 session. The Government appears to accept that this virtually rules out the possibility of having an assembly working before 1978.

Labour Party managers in Scotland are convinced that it was this announcement, not the White Paper's contents, which did most to damage the credibility of the policy and cultivate Scottish hostility.

The second area of contention concerns the proposed "veto" powers, exercised for Westminster by the Secretary of State for Scotland. The two questions here are: (a) is it permissible for a political figure to assume the mantle of a "governor general" in determining whether the assembly is legislating within or beyond its devolved remit, and (b) should Westminster, in addition to its powers to deal with such situations, have additional ability to stop assembly legislation which is considered to be unacceptable on general policy grounds.

The final two points of friction are generating even more heat. They concern the fiscal and economic autonomy of the assembly. The Government proposes to give the assembly a limited tax-raising ability, but has chosen one of the most unpopular tax mechanisms to accomplish this—a surcharge on local rates. In casting around for alternatives, it has apparently rejected the notion that the assembly might benefit either from a fixed proportion or a locally-negotiated share of the new fiscal resources represented by North Sea Oil. It probably sounds too nationalistic.

Yet a precedent for such autonomy already exists in the Shetland Islands, where the local council has been allowed to negotiate an attractive "allowance" with oil companies based on the flow of crude through pipelines to the islands. It will be worth a minimum of some 20 per cent of the islands' present revenue account, and could in time exceed that figure. Fiscal discretion of this kind for the assembly may become

important in the context of the haggling over global resources available from Westminster to a Scottish executive. The White Paper estimates that if an Assembly was working now, it would have a block grant of some £1.3bn, and a borrowing power of some £500m. This together with the £200m of local authority taxation, represents about three-fifths of public expenditure in Scotland.

The assembly will have a theoretical power to allocate much of these resources as it sees fit—more on housing, say, and less on roads. In practice, however, the actual opportunity for substantially varying individual areas of spending may well be very restricted. Each component of the block grant will probably have to be negotiated with Whitehall according to differing interpretations of a "Scottish need," so that the Treasury will be able to continue exerting a powerful influence on the management of Scottish public expenditure.

Manpower and training

The White Paper's final potential weakness is that it allocates no responsibilities in the economic and industrial development fields to the assembly—despite the broadest pre-election hints that this would be done. Substantial responsibilities for the conduct of regional policy, for the investment functions of the Scottish Development Agency and the Highland Development Board, and for the administration of manpower and training policies in Scotland have been transferred instead to the Secretary of State for Scotland.

In compensation for his loss to the assembly of almost all the "domestic affairs" functions of the Scottish Office, his post has been recreated as essentially that of Scotland's economic minister. The Government has concluded that these powers must be exercised by a U.K. Cabinet minister in order to underwrite what it calls the "economic unity of the U.K."

It is on the matter of industrial and economic policy management in Scotland that the devolution debate reaches its most painful crossroads. The

present Secretary of State for Scotland, Mr. William Ross, has referred to his role in solving the Chrysler crisis as an illustration of the value of having a Scottish Cabinet representative mandated to attend to Scottish interests, in this case the maintenance of the Linwood car plant. But his assertion that no solution to the Chrysler business would have been possible if the assembly had had economic functions is one that now requires to be substantiated, if Scottish opinion is to be swung.

In these four areas of debate, Labour has the most to lose by miscalculating the mood of the Scottish electorate. As the party in Scotland heads for its annual conference in March, two distinct camps have formed within it. The first is led by the General and Municipal Workers' Union, which might be joined by the Engineers. It includes the great majority of Scottish Labour MPs, and believes that the White Paper provides quite sufficient ammunition to start a counter-attack on the SNP.

The second is led by the Transport Workers and the Miners, and currently forms the majority on the general council of the Scottish TUC. It regards the proposals as inadequate and is demanding the transfer of economic and industrial powers, including responsibility for the Scottish Development Agency, to the assembly—a move which would effectively abolish the post of Secretary of State for Scotland.

This second group appears to be swimming with the tide of public opinion, but it is by no means certain that it will win its point at this year's conference (it failed narrowly last year). In any case, the key question is whether the proposals would be altered as legislation is drafted and debated, even if the Scottish Labour movement did turn out to be adamant in seeking such radical amendments.

Some Scottish Labour MPs seem to believe that there is a good deal of scope for beefing-up the assembly's powers. There is already talk of transferring the industrial functions of the SDA to the assembly, and certainly of defining more tightly and acceptably in the Bill the

premise "veto" powers. Westminster would retain there are two difficulties then.

The first is a tactical one—likelihood that, having muted itself to a "minimalist" White Paper, any improvement later brought forward by Government would be credited to the Nationalists' account many electors. The second more fundamental—difficult that no real strengthening really be possible, given present mood of the F of Commons.

Independent party

The Conservatives' devoted devotion is waning, an message from the Parliament Labour Party seems to be English MPs' support for additional powers over elections and the local elections. Indeed, the conviction that little nothing can now be done inside the Labour Party to prove the White Paper the recently led a small, maverick, group of Labourists to form their own "independent" St. Labour party.

At the back of all this is uncertainty about whether how the devolution tactics be made to fit into the G men's general election strategy. Probably the compelling reason for ap out the devolution debate there is now pressure in the Government's unwillingness to contemplate assembly tions this side of a general election.

Ideally the Government probably like to complete legislation and then so pausing in Scotland, as Labour movement did turn out to be adamant in seeking such radical amendments.

Some Scottish Labour MPs seem to believe that there is a good deal of scope for beefing-up the assembly's powers. There is already talk of transferring the industrial functions of the SDA to the assembly, and certainly of defining more tightly and acceptably in the Bill the

MEN AND MATTERS

Brewing's elders for MEPC and Thos. Cook

Sir Gerald "Joe" Thorley of Allied Breweries—set to take charge, at least temporarily, of the troubled MEPC property group—is not the only top brewer about to start another apparently unlikely job. I gather Sir Alan Walker, 84 on the point of retiring as Bass Charrington chairman, is due to become chairman of Thomas Cook, the travel group majority-owned by Midland Bank.

Thomas Cook has not had an easy time lately. Denationalised by auction in 1973, Cook's last disclosed annual loss was £1.6m, with most of the problems cropping up in North America. Last summer Simon Kimmins quit as managing director, having earlier gone on record as predicting £5m. of profits for this year.

Kimmins was replaced by Tom Fisher, reckoned to have the sort of tough command of the current Cook situation that Walker has had at Bass. Walker only went on the Cook Board in November, just a couple of weeks after becoming a Midland bank director.

He has been involved with the Bass group and its predecessors since 1956 when he was called in by the families who owned Midlands-based Mitchells and Butlers to sort out problems with Allied ranks as the biggest drinks business. Thorley, now 82, was chairman and chief executive at Allied from 1970 until last September, his appointment originally being seen as a diplomatic choice to preserve unity on the Allied Board following the abortive plan to merge with Unilever. did Thorley drive a hard



"When I become Prime Minister I'm going to abolish sex equality!"

But what equips him for the chairmanship and, "for the time being," the managing directorship at MEPC? Well, for a start, he and Sir Henry Johnson, MEPC's present chairman, have been friends since Johnson was an up-and-coming British Rail man in East Anglia. Thorley's home territory (his jobs include being chairman of Norfolk-based British Sugar Corporation).

MEPC as a company got to know Thorley, who did train as a chartered surveyor, in 1973 when it paid just under £5m. for Allied's disused Priory Menx brewery in the centre of Guildford. It was to be the site for a new shopping centre (the rambling building required the sort of demolition that TV cameras turned out for), but has remained one of MEPC's undeveloped sites, local conservationists having created a fuss at the published plans. So plan to merge with Unilever, did Thorley drive a hard

bargain? "It was," declared an MEPC spokesman yesterday, "a fair deal at the time."

Masses of half asses...

Switzerland, that bastion of neutrality, is not the country one would normally associate with involvement in major armaments deals. It is on the cards, however, that it may supply between 1,000 and 2,000 items of strategic military importance to Ghana over the next few years.

The items involved are mules, and representatives of the Ghanaian defence ministry have approached Raymond Gentinetta (the leading Swiss mule breeder) with an inquiry as to whether it would be possible to import into Ghana up to 2,000 Swiss-bred mules to replace the buffaloes which are currently used for carting around Ghana's howitzers. If the deal goes through it will be a tremendous stimulus to the Swiss mule-breeding industry: the latest available figures—the 1973 mule and ass census—showed a total population of just 434 in the two categories combined.

The Swiss defence ministry says there are no objections to the deal going through on grounds of endangering Swiss neutrality, and no special arms export licence is needed because, according to a spokesman, "Mules are not military material within the meaning of the law."

Paradoxically, however, there is still a potential military hang-up: most mules bred in Switzerland are liable for national service with the Swiss army. Gentinetta, therefore, will only be able to clinch the contract with Ghana providing that the export of his mules—

a cross between Jura mares and Italian asses—does not jeopardise the Swiss strategic reserve.

Unshaggy dog story

Do you ever get evenings like this? It started when an early quiet drink in my local was abruptly terminated as my friendly Labrador (6st of muscle and bone) spotted a potential chum at the other end of the bar and took off, with me still holding the lead. Result: 31 feet of bar stool and 6 feet of Observer measured their length on the floor, causing multiple bruising, plus much laughter and cries of "encore" from other patrons.

Later, at home, a game of fetch with the (forgiven) dog got out of hand when the rubber ball smashed a pane of glass in the front door. Result: near hysteria from the wife and a hurried patch-up job with cardboard and Sellotape. The final insult came when I stood back to admire my handiwork: to my horror the obverse side of the cardboard I had cut said boldly, in large red letters, "Bounce for Dog."

Gastric?

At least one young official at the Department of Energy has some idea of the problems which the department faces. Moving into a new flat in London she invited advice from both the Gas Board and the Electricity Board as to the best form of central heating to install. The gas man came, looked the place over, and advised her to go for electricity. The electricity man came and (you've guessed) said she should go for gas.

Observer

CHIEF EXECUTIVE PROCESS & INDUSTRIAL PLANT

Aurora Holdings Limited wishes to make appointment for its newly formed and expanded division comprised of four companies and with its quarters to be based at Nottingham.

The companies of the division are well respected and established suppliers of pressure vessels fabricated plant to the following industries—Pe chemicals, General Chemicals, Water and Effluent Treatment, Gas and Oil, Iron and Steel making, Cement, Fertiliser, Materials Handling and off also specialised.

The Chief Executive will therefore require knowledge and experience of the design and manufacture of such products with the commercial acumen to control sales and contracts in several companies where the senior management possess a depth relevant experience. In addition to these professional skills the applicant should have an understanding of the industries and the character to lead the division through a period of planned expansion, and association with high-ranking customers.

It is unlikely, therefore, that the balance required between enthusiasm, skill and maturity will be found in an applicant less than 38 nor more than 50, and desirably should hold formal qualifications. At least from the five figure salary the Terms and Conditions of the appointment are good.

Please communicate in guaranteed strict confidence with

The Chairman, Mr. Robert Atkinson, at
AURORA HOLDINGS LTD.
Aurora House, 61 Manchester Road
Sheffield S10 5DY
(STD 0742-685921)

BY JOE ROGALY

The real issue in the education debate

RS should be told each. Until they are, the education system will be in a state of disintegration. There is no debate about who is to be in charge of the schools: it is the parents, boards of governors, local authorities, the Department of Education, or the teachers, should be in charge.

Why this is so is clear in the words of Mr. Mulley, the Secretary of Education. "There is a chorus of discontent," he says in the North of England.

Conference last

overs about the edu-

ated in a minority of

colleges and univers-

Mr. Mulley is to be

ated on his mastery of

understatement.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

posed to be to devise

persuading everyone

standards are not falling

PU will, I feel sure,

ate what we all feel

ver-the-published short-

are not typical of the

general," said Mr.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

posed to be to devise

persuading everyone

standards are not falling

PU will, I feel sure,

ate what we all feel

ver-the-published short-

are not typical of the

general," said Mr.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

posed to be to devise

persuading everyone

standards are not falling

PU will, I feel sure,

ate what we all feel

ver-the-published short-

are not typical of the

general," said Mr.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

posed to be to devise

persuading everyone

standards are not falling

PU will, I feel sure,

ate what we all feel

ver-the-published short-

are not typical of the

general," said Mr.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

posed to be to devise

persuading everyone

standards are not falling

PU will, I feel sure,

ate what we all feel

ver-the-published short-

are not typical of the

general," said Mr.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

posed to be to devise

persuading everyone

standards are not falling

PU will, I feel sure,

ate what we all feel

ver-the-published short-

are not typical of the

general," said Mr.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

posed to be to devise

persuading everyone

standards are not falling

PU will, I feel sure,

ate what we all feel

ver-the-published short-

are not typical of the

general," said Mr.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

posed to be to devise

persuading everyone

standards are not falling

PU will, I feel sure,

ate what we all feel

ver-the-published short-

are not typical of the

general," said Mr.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

posed to be to devise

persuading everyone

standards are not falling

PU will, I feel sure,

ate what we all feel

ver-the-published short-

are not typical of the

general," said Mr.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

posed to be to devise

persuading everyone

standards are not falling

PU will, I feel sure,

ate what we all feel

ver-the-published short-

are not typical of the

general," said Mr.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

posed to be to devise

persuading everyone

standards are not falling

PU will, I feel sure,

ate what we all feel

ver-the-published short-

are not typical of the

general," said Mr.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

posed to be to devise

persuading everyone

standards are not falling

PU will, I feel sure,

ate what we all feel

ver-the-published short-

are not typical of the

general," said Mr.

clution

ately he has yet to

conclusion: the removal

teaching profession's

the power to decide

g that takes place one

room door is closed.

chosen, instead, to

his Department's

nt of Performance

device that has done

very much since it

under the guidance

gland Prentice nearly

ago, and whose pur-

Wellman Engrg. £100,000 midway increase

HALF profits of Wellman Engrg. rose £100,000 to £750,000, and unless economic conditions deteriorate, the directors are confident that for the full year to 31.12.76 will exceed the £1m achieved in 1975.

Meanwhile, the interim dividend, which was stepped up from 0.85p to 1.25p, will be paid on 15.1.76. The interim dividend for 1975 was 1.25p.

Under the new order book stands at £16m, a year ago, but in three months there has been a noticeable decline in orders.

It will not affect the current results and it is too early to say whether it will jeopardise the company's position in the market.

At the end of the year, the company's contracts run out a year, the current trend in new orders is rather dull picture, but the company has a strong liquid position, with sales last year totalling £11.5m, with no borrowing, that should prove a prop for the share at 38p, the yield is 3.1 per cent, face of a threatened profit in next year.

London Scottish American Heavitree Brewery growth

THE ESTIMATE for current year's revenue of London Scottish American, made on the usual conservative basis, indicates that the increased 3.75p net dividend should be covered by income, says the chairman Mr. I. H. Garrett-Orme.

He hopes that the present rate of inflation can at least be halved by the end of the year, and that the Government will consider an early abolition of the 10 per cent dividend limit.

If these hopes were to be fulfilled, then our ability to match inflation would be enhanced considerably.

The chairman stresses that it was due largely to the continuing policy of achieving a high investment income, while maintaining

A. G. Barr recovers - passes £1m.

MAINLY RESULTING from the exceptional summer soft drink manufacturer A. G. Barr has recovered from its setback and for the year ended October, 1975 has turned in record profits of £1.1m.

In the first half, the group incurred a loss of £250,000 because it was unable to recover substantial cost increases by raising prices. This followed a reduction in profits from £233,000 to £260,000 in the year 1975-76.

The final dividend is 2.50p for a total of 5.50p, compared with 4.50p. Earnings are stated at 28.01p against 27.75p.

Turnover, expanded from £12.85m to £17m. Products include Irn-Bru, Tasty Jusade and Lemonade.

R. Smallshaw setback

On a turnover up from £3.07m to £3.46m, pre-tax profit of R. Smallshaw (Rutland) contracted from £130,115 to £8,550 for the year to September 30, 1975.

At the half-way stage profit was down from £70,000 to £5,000, reflecting increased repairs of plant from £25,000 to £45,000, coupled with the inability to recover increased costs. The directors warned that the situation appeared likely to change into a profit in the next year.

Stated earnings per share

id in joint North Sea nature

Carrier and Rockall Resources have joined to form Haden Rockall Finance, which offers a comprehensive maintenance service to the oil industry, including the application of systems maintenance of offshore platform platforms.

Haden Rockall is a company with its sights set on the North Sea area, and its services to other oil companies are expanding.

The new company has secured a contract with Delta Metal whereby that group's sub-British Electrical Repairs Ltd. will provide maintenance service to the overall plant.

ECENT ISSUES

Stock	1975/6	1976/7
High	100	100
Low	100	100
Open	100	100
Close	100	100

FIXED INTEREST STOCKS

Stock	1975/6	1976/7
High	100	100
Low	100	100
Open	100	100
Close	100	100

"RIGHTS" OFFERS

Stock	1975/6	1976/7
High	100	100
Low	100	100
Open	100	100
Close	100	100

Company	1975/6	1976/7
Wellman Engrg.	£750,000	£850,000
London Scottish American	£1.1m	£1.2m
A. G. Barr	£1.1m	£1.2m
R. Smallshaw	£8,550	£130,115

London Scottish American Heavitree Brewery growth

THE ESTIMATE for current year's revenue of London Scottish American, made on the usual conservative basis, indicates that the increased 3.75p net dividend should be covered by income, says the chairman Mr. I. H. Garrett-Orme.

A. G. Barr recovers - passes £1m.

MAINLY RESULTING from the exceptional summer soft drink manufacturer A. G. Barr has recovered from its setback and for the year ended October, 1975 has turned in record profits of £1.1m.

R. Smallshaw setback

On a turnover up from £3.07m to £3.46m, pre-tax profit of R. Smallshaw (Rutland) contracted from £130,115 to £8,550 for the year to September 30, 1975.

id in joint North Sea nature

Carrier and Rockall Resources have joined to form Haden Rockall Finance, which offers a comprehensive maintenance service to the oil industry, including the application of systems maintenance of offshore platform platforms.

ECENT ISSUES

Stock	1975/6	1976/7
High	100	100
Low	100	100
Open	100	100
Close	100	100

FIXED INTEREST STOCKS

Stock	1975/6	1976/7
High	100	100
Low	100	100
Open	100	100
Close	100	100

"RIGHTS" OFFERS

Stock	1975/6	1976/7
High	100	100
Low	100	100
Open	100	100
Close	100	100

HOGG ROBINSON 39% profit increase at half year

Extracts from the Interim Statement by the Chairman Mr Francis Perkins.

The profit for the half year to 30th September 1975 was £2,020,000 showing an increase of 39% over the same period in the previous year. The increase in Group turnover during this period was 38%. Insurance Broking turnover amounted to £5,260,000 of which 53% was received in foreign currencies.

The improvement in our international broking business has been particularly satisfactory, with the flow from North America showing increased buoyancy. The broking companies engaged in United Kingdom business have made a satisfactory start to the year, and the Transport Division profits for the six months were higher than anticipated. These figures encourage the expectation that the year-end results will show a significant increase.

An interim dividend of 1.95p. per ordinary share will be paid. This is equivalent to 3p. per share gross, compared with 2.8p. per share (after adjustment for the capitalization issue) declared last year.

The consolidated trading results (unaudited) were as follows:	Half-year ended 30.9.75	Half-year ended 30.9.74	Year ended 31.3.75
Group Turnover	8,130	5,900	14,511
Profit*	2,020	1,450	4,683
Dividend (gross equivalent)	3.00p	2.20p	4.88p

*Before taxation and minority interests.

†After adjustment for capitalization issue 18.11.75.

Union Corporation Group

Directors' Reports of Gold Mining Companies for the quarter ended 31st December, 1975.

LESIE GOLD MINES LIMITED	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975
Issued Capital R11,200,000 in shares of 70 cents each.		
OPERATING RESULTS		
Ore milled (t)	306,000	310,000
Gold produced - kg.	1,400	1,420
Yield - (g/t)	4.50	4.58
Revenue per ton milled	R17.72	R16.08
Cost per ton milled	R12.04	R11.57
Profit per ton milled	R5.68	R4.51
Working revenue	R5,426,000	R4,985,000
Working costs	R3,672,000	R3,500,000
Working profit	R1,754,000	R1,485,000
Net sundry revenue	R84,000	R85,000
PROFIT before taxation and lease consideration	R1,838,000	R1,570,000
Taxation and lease consideration	R296,000	R296,000
PROFIT after taxation and lease consideration	R1,542,000	R1,274,000
Capital expenditure	R572,000	R780,000
Dividend declared		
DEVELOPMENT:		
Advanced (m)	857	466
Sampling results:		
Sampled (m)	126	114
Channel width (cm)	33.6	31.1
Av. value: g/t	304	283
Payable:		
Percentage	15	14
Channel width (cm)	11	11
Av. value: g/t	54.9	59.4
cm/g/t	823	822
Reduction of Capital		
The reduction of capital of 10 cents per share was paid on 7th November, 1975.		

WINKELHAAS MINES LIMITED	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975
Issued Capital R12,000,000 in shares of R1 each.		
OPERATING RESULTS		
Ore milled (t)	500,000	510,000
Gold produced - kg.	3,300	3,320
Yield - (g/t)	6.60	6.52
Revenue per ton milled	R28.32	R28.32
Cost per ton milled	R10.82	R10.28
Profit per ton milled	R17.50	R18.04
Working revenue	R14,154,000	R13,016,000
Working costs	R5,210,000	R4,778,000
Working profit	R8,944,000	R8,238,000
Net sundry revenue	R351,000	R329,000
PROFIT before taxation and lease consideration	R9,295,000	R8,567,000
Taxation and lease consideration	R4,611,000	R4,611,000
PROFIT after taxation and lease consideration	R4,684,000	R3,956,000
Capital expenditure	R3,078,000	R3,302,000
Dividend declared		
DEVELOPMENT:		
Advanced (m)	1,446	1,183
Sampling results:		
Sampled (m)	177	121
Channel width (cm)	51	38
Av. value: g/t	26.8	18.0
cm/g/t	1,370	701
Payable:		
Percentage	80	64
Channel width (cm)	26	22
Av. value: g/t	22.1	18.3
cm/g/t	1,328	835
Dividend		
Dividend of 45 cents per share was paid on 7th November, 1975.		
Capital Expenditure		
Amounts approved by the directors but not contracted for R140,000		

KINROSS MINES LIMITED	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975
Issued Capital R18,000,000 stock in units of R1 each.		
OPERATING RESULTS		
Ore milled (t)	385,000	380,000
Gold produced - kg.	2,849	2,789
Yield - (g/t)	7.40	7.34
Revenue per ton milled	R28.02	R28.02
Cost per ton milled	R11.30	R10.89
Profit per ton milled	R16.72	R17.13
Working revenue	R10,798,000	R9,671,000
Working costs	R4,350,000	R4,288,000
Working profit	R6,448,000	R5,383,000
Net sundry revenue	R188,000	R122,000
PROFIT before taxation and lease consideration	R6,636,000	R5,505,000
Taxation and lease consideration	R2,887,000	R2,005,000
PROFIT after taxation and lease consideration	R3,749,000	R3,500,000
Capital expenditure	R3,840,000	R3,553,000
Dividend declared		
DEVELOPMENT:		
Advanced (m)	1,181	1,048
Sampling results:		
Sampled (m)	386	122
Channel width (cm)	42	31
Av. value: g/t	28.0	34.1
cm/g/t	1,084	1,057
Payable:		
Percentage	85	78
Channel width (cm)	46	31
Av. value: g/t	32.6	39.9
cm/g/t	1,461	1,238
Dividend		
Dividend of 34 cents per unit of stock was paid on 7th November, 1975.		
Capital Expenditure		
No. 2 Shaft was sunk 177.2 metres to a total depth of 1,678.6 metres and 1,247.2 metres of stope cutting was completed on 15, 17 and 18 levels and the main pump station, 535 metres of raise boring for ore passes was bored. It is anticipated that the total cost of the shaft plus ancillary buildings, plant and equipment, etc. will be of the order of R21m of which R18,420,000 has been spent.		
Commitments in respect of contracts placed R1,314,000		

BRACKEN MINES LIMITED	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975
Issued Capital R14,000,000 in shares of R1 each.		
OPERATING RESULTS		
Ore milled (t)	286,000	280,000
Gold produced - kg.	1,888	1,880
Yield - (g/t)	6.60	6.72
Revenue per ton milled	R28.32	R28.32
Cost per ton milled	R11.58	R11.58
Profit per ton milled	R16.74	R16.74
Working revenue	R7,296,000	R7,296,000
Working costs	R3,032,000	R2,658,000
Working profit	R4,264,000	R4,638,000
Net sundry revenue	R171,000	R151,000
PROFIT before taxation and lease consideration	R4,435,000	R4,789,000
Taxation and lease consideration	R2,578,000	R2,578,000
PROFIT after taxation and lease consideration	R1,857,000	R2,211,000
Capital expenditure		
Dividend declared		
DEVELOPMENT:		
Advanced (m)	466	422
Sampling results:		
Sampled (m)	140	134
Channel width (cm)	51	51
Av. value: g/t	20.7	20.7
cm/g/t	1,288	479
Payable:		
Percentage	72	38
Channel width (cm)	62	88
Av. value: g/t	23.0	8.8
cm/g/t	1,428	778
Dividend		
Dividend of 22 cents per share was paid on 7th November, 1975.		

ST. HELENA GOLD MINES LIMITED	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975
Issued Capital R9,625,000 in shares of R1 each.		
OPERATING RESULTS		
Ore milled (t)	840,000	875,000
Gold produced - kg.	6,499	6,499
Yield - (g/t)	7.74	7.43
Revenue per ton milled	R28.32	R28.32
Cost per ton milled	R13.01	R13.01
Profit per ton milled	R15.31	R15.31
Working revenue	R23,940,000	R23,558,000
Working costs	R7,288,000	R7,478,000
Working profit	R16,652,000	R16,080,000
Net sundry revenue	R377,000	R490,000
PROFIT before taxation and lease consideration	R17,029,000	R16,570,000
Taxation and lease consideration	R8,100,000	R8,425,000
PROFIT after taxation and lease consideration	R8,929,000	R8,145,000
Capital expenditure	R3,497,000	R10,105,000
Dividend declared		
DEVELOPMENT:		
Advanced (m)	1,828	1,883
Sampling results:		
Sampled (m)	308	279
Channel width (cm)	31.7	14.2
Av. value: g/t	2,388	1,205
cm/g/t	59	65
Payable:		
Percentage	59	65
Channel width (cm)	59	65
Av. value: g/t	53.3	16.9
cm/g/t	4,567	1,620
Dividend		
Dividend of 105 cents per share was paid on 7th November, 1975.		
Capital Expenditure		
Commitments in respect of contracts placed R5,470,000		
Amounts approved in addition to commitments R13,121,000		

The main pump station, 553 metres, of raise boring for ore passes was completed, it is anticipated that the total cost of the shaft plus ancillary buildings, plant and equipment, etc., will be of the order of R21 m of which R18,430,000 has been spent.			
Commitments in respect of contracts placed R1,314,000			

MARIEVALE CONSOLIDATED MINES LIMITED

Issued Capital R2,700,000 in shares of 80 cents each.

	Quarter ended 31st Dec. 1975	Quarter ended 30th Sept. 1975	Twelve months ended 31st Dec. 1975
OPERATING RESULTS			
Ore milled (t)	270,000	270,000	1,070,000
Gold produced - kg.	872	899	3,685
Yield - (g/t)	3.20	3.30	3.72
Revenue per ton milled	R13.68	R12.88	R13.68
Cost per ton milled	R9.19	R9.12	R9.73
Profit per ton milled	R4.49	R3.76	R4.43
Working revenue	R3,684,000	R3,478,000	R14,618,000
Working costs	R2,482,000	R2,493,000	R9,341,000
Working profit	R1,211,000	R1,016,000	R5,277,000
Net sundry revenue	R25,000	R13,000	R158,000
PROFIT before taxation and lease consideration	R1,246,000	R1,029,000	R5,435,000
Taxation and lease consideration	R907,000	R511,000	R2,747,000
PROFIT after taxation and lease consideration	R339,000	R518,000	R2,688,000
Capital expenditure			
Dividend declared	R1,125,000	—	R1,890,000
Dividend			

On 12th December, 1975, Dividend No. 71 of 25 cents per share was declared to members registered at 31st December, 1975. Dividend warrants will be posted about 12th February, 1976.

Ord Reserves

The reserves have been re-estimated at 31st December, 1975, with the following results:

	Gold Price per kg.	Mobile Tonn.	Assay Value of	Est. Stripping Costs
a Main Reef	R2,500	400,000	5.8	140
Kimberley Reef	R2,500	1,000,000	4.8	140
Main Reef	R4,500	1,000,000	4.7	140
Kimberley Reef	R4,500	1,000,000	4.4	140

Spooner sees better year

CHAIRMAN of Spooner Industries Mr. W. Broughton, says he is encouraged to believe the group has now turned a corner in its affairs, and that he will be able to report some better results for the current year.

During the past few weeks there has been an appreciable improvement in order intake, and the group is currently handling an increased volume of serious enquiries.

As reported on December 6 pre-tax profit for the year to September 30, 1975 fell sharply from £855,025 to £370,117. The dividend is 2.15p (3.216p) net.

Mr. Broughton points out that taking inflation into account, the reduction in physical volume of turnover was more than 20 per cent, and this created "grave" problems in several sectors of the group's business.

During the final months of the year work shortages were such that it was necessary to reduce the establishments at Cleckheaton, Eccles and Ilkley, he adds. The greatest economies had to be made at Cleckheaton where Garnett-Brywater serves the textile industry while its wire and re-clothing sides operated well throughout, an inadequate volume of machinery output, together with some unremunerative prices on two large export contracts, led to a trading loss of approximately £95,000 before charging redundancy payments.

Manufacturing subsidiaries overseas also experienced wide variations in demand but traded profitably, with Peter Coe-Spooner Pty. in Australia making a good recovery in the second half. Meeting Ilkley, on February 6 at 11.30 a.m.

Stapleford and Co. Mr. J. L. Turner, chairman of U.C., said yesterday the group would shortly undergo "a reorganisation of some substance."

Astra Securities progress

IN LINE with budgeted forecast, group pre-tax profit of Astra Securities increased from £253,000 to £311,000 in the half year to October 31, 1975, and the directors are confident that the second half will show a continuing improvement. Profit for the year to April 30, 1975 was £348,000.

Stated earnings per 10p share for the six months advanced from 1.34p to 1.55p, and the interim dividend is effectively raised from 0.26p to 0.335p net. Last year's total was equal to 0.32p from earnings of 3.1p.

The business is that of sheet steel stockholding and ferrous scrap processing, electrical and mechanical engineering, and shareholding.

HARVARD STAKE

Harvard Securities, a private securities dealing company, has acquired a 23.6 per cent. holding (1.35m. Ordinary shares) in U.U. Textiles in a deal valuing the company at just over £2,000.

Harvard paid 11p per share for the holding, but at the close of business yesterday U.U. shares were quoted at 10p (down 1p) - they reached a high of 10 1/2p in 1975.

It is understood that the Harvard holding represents the majority of the shares held by the receiver and manager of Eldridge

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

cent.

BIDS AND DEALS

Acquisitions by Telefusion

Telefusion, the retailing and TV manufacturing and rental group, has paid £140,000 cash for Fairview (Television) which operates 10 Trident Discount Centres in Lancashire, Cheshire and Cumbria. It has also conditionally agreed, subject to Telefusion shareholders' approval, to acquire the 50 per cent. of the capital of Combined Precision Components not already owned, for £225,000.

CPC operates 14 Trident Centres through a subsidiary. After both deals have been completed Telefusion will wholly own 112 Trident Centres.

Fairview, which was 61.8 per cent. owned by a number of directors of Telefusion—the remainder by family and associates—made pre-tax profits of £81,000 on a turnover of £2,238m. for the year ending January 23, 1975. Turnover and profits of the Trident division of CPC were £4,02m. and £127,000 respectively for 11 months to March 19, 1975. In their current years, both CPC and Fairview are expecting only a small profit.

The attraction of buying the control of the Trident Centres is that the businesses can be absorbed into Telefusion's existing administration, with no additional overheads. And profitability of the two companies will improve following closure of the two respective head offices.

CPC has also agreed to sell the component section of the group to Mr. R. A. K. Duckett, a director of Telefusion, and certain of its wholly owned subsidiaries.

This business in the last 11 months accounting period made profits of £39,000 on turnover of £403,000.

MAGNET-SOUTHERNS

The offers on behalf of Magnet and Southern for the capitals of Magnet Joinery and Southern-Grain have been accepted as follows—Magnet Ordinary 11.2m. shares (91.01 per cent.); Southern Ordinary 13.07m. (83.25 per cent.); Magnet Preference 710,285 (93.7 per cent.); Southern Preference Preference shares of 50p.

CAVENHAM EXTENDS ACC BID

Cavenham International Inc., a subsidiary of Babcock and Wilcox the U.K. engineering concern, has announced the final extension of its offer (£25 per share) for America's Chain and Cable to January 30. Acceptances at the moment amount to roughly 83.4 per cent. of the issued capital.

While there is no procedure similar to that in the U.K., where companies may apply to purchase compulsorily all outstanding shares at a certain level of acceptances, Babcock will be able to eliminate the minority through obtaining either a "long-form merger" or "short-form merger", the latter applies after 95 per cent. acceptances and the former at over 67 per cent.

CAVENHAM GRANT UNION

Cavenham reports that its subsidiary (U.S.A.) subsidiary has received about 1,600m. Grand Union Company shares under its offer for 1.8m. shares. The company already holds 3.2m. shares. Under the terms of its present offer, Cavenham could accept less than 1.8m. Grand Union shares and will do so if it receives enough to permit it to file consolidated Federal tax returns with Grand Union.

TRIANCO

The formal offer document regarding Central and Sheerwood's recommended offer for Trianco Group has been sent out. C and S, which already owns 48.6 per cent. of the Ordinary, is offering 7.02p cash for each Trianco 5p Ordinary and 20p cash for each 6p Trianco Preference Participating Preference share of 50p.

MINING NEWS

Rand devaluation rescues Gemsales of R793n for 1975

BY KENNETH MARSTON, MINING EDITOR

THE MESSAGE of the first of the De Beers quarterly reports from South Africa's gold mines is simply that all would have reported sharply lower profits for the past three months had it not been for the Republic's 17.9 per cent. devaluation towards the end of September. As it is, they have earned more in terms of rands for their production.

The point is illustrated by the largest of this column's tables to-day which shows that the mines in the Union Corporation group received around \$134 per ounce for their production in the December quarter compared with some \$132 in the previous three months. As a result of devaluation, however, the latest price per ounce received in terms of rands has risen to around R118 from R108 in the September quarter.

JOHANNESBURG CONSOLIDATED INVESTMENT GROUP

(All companies mentioned are incorporated in the Republic of South Africa)

MINING COMPANIES' REPORT FOR THE QUARTER ENDED 31ST DECEMBER, 1975 WITH COMPARATIVE FIGURES FOR THE PREVIOUS QUARTER

RANDFONTEIN ESTATES

THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED

ISSUED CAPITAL: R20,871,000 (Divided into 5,033,500 shares of R4 each, fully paid)

OPERATING RESULTS

	Quarter ended 31.12.75	Year ended 31.12.75	Quarter ended 30.9.75	Year ended 30.9.75
Gold	230,000	230,000	230,000	230,000
Gold produced—kilograms	3,208	3,208	3,208	3,208
Yield—grams per ton	13.5	13.5	13.5	13.5
Total revenue—per ton milled	R47.94	R47.94	R47.94	R47.94
Working cost—per ton milled	R16.45	R16.45	R16.45	R16.45
OPERATING PROFIT—PER TON MILLED	R31.49	R31.49	R31.49	R31.49

FINANCIAL RESULTS (R000's)

	Quarter ended 31.12.75	Year ended 31.12.75	Quarter ended 30.9.75	Year ended 30.9.75
Revenue from sales	R14,882	R14,882	R14,882	R14,882
Working cost	3,894	3,894	3,894	3,894
Sundry revenue	4,789	4,789	4,789	4,789
Trident revenue	117	117	117	117
Insurance claim	117	117	117	117
Net sundry revenue	188	188	188	188
OPERATING PROFIT	7,331	7,331	7,331	7,331
Plus: Net interest received (payable)	Nil	Nil	Nil	Nil
PROFIT	R7,331	R7,331	R7,331	R7,331
Capital expenditure	R4,378	R4,378	R4,378	R4,378
Dividends declared	Nil	Nil	Nil	Nil

NOTE: A provision for taxation is not required as the Company has an estimated loss for tax purposes.

COOKE SECTION

NO. 1 SHAFT SYSTEM DEVELOPMENT

Advanced—metres

Sampling results: Sampled—metres

Channel width—centimetres

Ave. value—centimetres

—centimetres—grams

The real development values shown in the above tabulation are the actual results of sampling development work on reef. No allowance has been made for modifications which may be necessary when computing ore reserves.

ONE RESERVE AS AT 31st DECEMBER

Tons

Value—grams per ton

Width—centimetres

Centimetre—grams

The current ore reserves are related to a pay limit calculated on the basis of a gold price of R462 per kilogram (1974-R437 per kilogram).

NO. 2 SHAFT SYSTEM

Shaft Stages

The main shaft advanced from 451 m to 1,046 m during the quarter, the ventilation shaft having been sunk to its final depth of 896 m in the previous quarter.

CAPITAL EXPENDITURE

Net expenditure on mining assets during the quarter amounted to R4,334,000, including interest capitalised of R87,783, bringing the total net capital expenditure at 31st December, 1975 to R11,972,028, including interest capitalised of R1,362,281. This total includes expenditure at Cooke Section amounting to R4,550,492. At 31st December, 1975 there were capital commitments amounting to R4,050,000.

For and on behalf of the board,

B. A. SMITH Directors

J. C. LINDER Directors

OTJIHASE

OTJIHASE MINING COMPANY (PROPRIETARY) LIMITED

AUTHORISED CAPITAL: R12,000,000

PROGRESS REPORT

Trident mining commenced on 24th October, 1975 and shipment of concentrates has begun.

Problems in the tailings thickener and delays in the development programme adversely affected the build-up of tonnage milled, but it is expected that normal milling operations will be achieved in the second quarter of 1976.

The pyrite recovery section of the metallurgical plant will be commissioned during January, 1976.

All other major construction work has been completed.

CAPITAL EXPENDITURE

Capital expenditure during the quarter ended 31st December, 1975 amounted to R4,334,777, bringing the total of capital expenditure to R13,225,555.

For and on behalf of the board,

H. DALTON-BROWN Directors

B. A. SMITH Directors

ELSBURG

ELSBURG GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: R30,253,000 (Divided into 30,253,000 units of stock of R1 each)

RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 1975

Stockholders are advised to study the operational results published by Western Areas Gold Mining Company Limited.

DIVIDENDS DECLARED (R000's)

	Quarter ended 31.12.75	Year ended 31.12.75	Quarter ended 30.9.75	Year ended 30.9.75
	R5,889	Nil	Nil	R9,315

For and on behalf of the board,

P. A. VON WIELLICH Directors

B. A. SMITH Directors

12th January, 1976.

CAPITAL EXPENDITURE

Net expenditure on mining assets during the quarter amounted to R2,331,332, with other capital expenditure during the quarter amounting to R5,996, bringing the total net capital expenditure at 31st December, 1975 to R22,655,562. At 31st December, 1975 there were capital commitments amounting to R4,465,000.

For and on behalf of the board,

P. A. VON WIELLICH Directors

B. A. SMITH Directors

ELSBURG

ELSBURG GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: R30,253,000 (Divided into 30,253,000 units of stock of R1 each)

RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 1975

Stockholders are advised to study the operational results published by Western Areas Gold Mining Company Limited.

DIVIDENDS DECLARED (R000's)

	Quarter ended 31.12.75	Year ended 31.12.75	Quarter ended 30.9.75	Year ended 30.9.75
	R5,889	Nil	Nil	R9,315

For and on behalf of the board,

P. A. VON WIELLICH Directors

B. A. SMITH Directors

12th January, 1976.

ELSBURG

ELSBURG GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: R30,253,000 (Divided into 30,253,000 units of stock of R1 each)

RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 1975

Stockholders are advised to study the operational results published by Western Areas Gold Mining Company Limited.

DIVIDENDS DECLARED (R000's)

Quarter ended 31.12.75

Year ended 31.12.75

Quarter ended 30.9.75

Year ended 30.9.75

R5,889

Nil

Nil

R9,315

For and on behalf of the board,

P. A. VON WIELLICH Directors

B. A. SMITH Directors

12th January, 1976.

ELSBURG

ELSBURG GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: R30,253,000 (Divided into 30,253,000 units of stock of R1 each)

RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 1975

Stockholders are advised to study the operational results published by Western Areas Gold Mining Company Limited.

DIVID

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Public offer
of 100,000 shares

by de Jongh

NEW YORK, Jan. 12.

A YEAR of fruitless search for a buyer for the shares in the company, appointed for the public in a series of offer-

studies, Mr. Richard Joyce said today that he has a stock sales plan to place the shares in the market. The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year.

The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year. The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year.

The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year. The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year.

The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year. The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year.

The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year. The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year.

The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year. The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year.

The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year. The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year.

The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year. The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year.

The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year. The plan, which is being developed by a group of advisers, is expected to be completed by the end of the year.

C. Itoh and Ataka plan
'business co-operation'

BY CHARLES SMITH

TOKYO, Jan. 12.

C. ITOH and Ataka respectively Japan's fourth and ninth largest general trading companies, today announced plans for a business co-operation in an evident attempt to stave off some of the damage done by Ataka's credit troubles. The announcement, made at the earliest possible moment after an outline agreement was reached last week between the two companies, gives no details about the precise type of co-operation envisaged. Both companies, however, hinted in a Press conference today that their relationship could develop into a full scale merger. The first of the kind among members of the top ten trading companies, the combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank. The combination of Ataka and C. Itoh would have a turnover of around ¥2,000bn. in 1974, putting it close behind Mitsui and Fuyo Bank.

Latest \$ Eurobond issue made at 8½%

BY MARY CAMPBELL

THE KINGDOM of Norway is raising \$100m. for five years in a Eurobond issue for which Hambros is the lead manager, it was announced yesterday. The announced coupon is 8½ per cent. This closed yesterday evening at 100½ per cent. after being offered by the European Coal and Steel Community on its current 8½m. five-year issue and a half a point less than on the British Gas Corporation's \$40m. issue, which is also for five years.

The main factor behind Hambros' decision to go for an 8½ per cent. coupon is clearly the rapid and continuing fall in interest rates. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month. The rate on five year certificates of deposit issued in London by top US banks has fallen from some 9½ to 8½ per cent. during the last month.

Pfalz Bank closure talks

BY NICHOLAS COLCHESTER

BONN, Jan. 12.

TALKS BEGIN to-morrow between the West German banking authority in Berlin and Fritz H. Haase, the founder and chief executive of Pfalz-Kredit-Bank, whose doors were closed by the banking authority last Friday night. Their outcome will decide whether the bank ever opens again.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The authority closed the Pfalz Bank because it claimed that the bank's assets were endangered by losses made on loans. Herr Haase has already complained strongly about the decision, calling it "unfair" and claiming that "it is designed to silence a discomfiting competitor."

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

The bank was founded as a pure purchase bank in 1960. The Pfalz-Kredit-Bank expanded very fast when it received a more general banking licence in 1971. At the end of last year its balance sheet total was up to DM275m, making it one of the larger private banks in West Germany. Only a year before, its balance sheet had totalled DM175m.

Atlas Copco
believes
pessimism

By William Duffell

THE STOCKHOLM, Jan. 12. Swedish compressed air equipment manufacturer, Atlas Copco, will show a profit growth of some 14½ per cent. for 1975 after a 14½ per cent. rise in turnover to Kr2,400m. (€275m.). A preliminary report issued today puts group profits before extraordinary write-offs and taxes at approximately Kr2,400m. (€275m.). The parent company is expected to show an unchanged profit of around Kr100m.

The profit growth is well below the 34 per cent. reached in 1974, which the board believed last February would be repeated. But it also believes the pessimistic forecast made in August of a further decline in profit levels during the second half of 1975. Instead the group turned in a profit of some Kr215m. in the second half, compared with Kr205 in the first six months, which following for inflation implies that profits were maintained. The board has also decided to ask shareholders to approve at an extraordinary general meeting in February an increase in share capital from Kr288.7m. to Kr310.8m. and a rise in the company's legal reserve by Kr21.5m. to Kr133.5m. in order to maintain the relation between equity and liabilities. A preference issue of 2,000,000 shares will be made at Kr50 per share, with shareholders allowed to subscribe for one new share for every five held.

Arco, Atlantic
Richfield

Financial Times Reporter

LOS ANGELES, Jan. 12. ATLANTIC RICHFIELD and Arco Pipe Line Company, a wholly-owned subsidiary, have filed a registration statement with the Securities and Exchange Commission covering a proposed public offering of \$200m. of Guaranteed Notes, due in 1984. The Notes will be unconditionally guaranteed by the parent company, Atlantic Richfield, said Mr. Robert O. Anderson, chairman of the board. Mr. Anderson, chairman of the board, said that the company's legal reserve will be increased by \$20m. and Smith will co-manage a group of underwriters who expect to offer the notes in late January or early February. Application will be made to list the notes on the New York Stock Exchange. Interest will be payable semi-annually.

Belgian profits shortfall in 1976

BY DAVID CURRY

BRUSSELS, Jan. 12.

NET PROFITS of Belgian industrial companies to be reported in 1976 will be almost halved over the previous year, according to the Kredietbank. The bank adds that "most firms" in the steel, non-ferrous, basic chemicals and paper sectors operated at a loss in 1975.

What, on average, companies paid rather less for raw materials in 1975 and interest rates fell back, wage costs per unit were 28 per cent. up on 1974 and gross wages were 14 per cent. up as a result of the indexation of wages to the consumer prices index. Because of falling orders, productivity was 5 per cent. down. Company tax was boosted from 43 to 48 per cent. and the VAT refund on capital goods postponed. Only a limited tax exemption was granted for additional investment in the second half of the year, although the limitation in respect of deduction of interest on loans was abolished.

Kredietbank points out that industry faces further burdens in the shape of the compulsory retirement pension, the early retirement pension, and the non-deductible 4.8 per cent. levied on the portion of 1975 profits exceeding 110 per cent. of the average taxable earnings for 1973-74. All features of the government's economic programme from which wage restraint has largely disappeared.

For listed companies, Kredietbank forecasts only a 25 per cent. profits decline in 1976 sustained by a relatively strong performance from financials and utilities. But the fall in dividend payments will be accentuated by the dividend freeze at the highest level of 1972-73 or 1974 payments—another aspect of the Government's policy.

The report is more optimistic about likely profitability in 1976 for results reported in 1977. It sees a 10 per cent. improvement in production against a 34 per cent. rise in industrial wholesale prices.

The report is more optimistic about likely profitability in 1976 for results reported in 1977. It sees a 10 per cent. improvement in production against a 34 per cent. rise in industrial wholesale prices.

The report is more optimistic about likely profitability in 1976 for results reported in 1977. It sees a 10 per cent. improvement in production against a 34 per cent. rise in industrial wholesale prices.

The report is more optimistic about likely profitability in 1976 for results reported in 1977. It sees a 10 per cent. improvement in production against a 34 per cent. rise in industrial wholesale prices.

The report is more optimistic about likely profitability in 1976 for results reported in 1977. It sees a 10 per cent. improvement in production against a 34 per cent. rise in industrial wholesale prices.

The report is more optimistic about likely profitability in 1976 for results reported in 1977. It sees a 10 per cent. improvement in production against a 34 per cent. rise in industrial wholesale prices.

The report is more optimistic about likely profitability in 1976 for results reported in 1977. It sees a 10 per cent. improvement in production against a 34 per cent. rise in industrial wholesale prices.

The report is more optimistic about likely profitability in 1976 for results reported in 1977. It sees

Barclays Bank Base Rate.

Barclays Bank Limited and Barclays Bank International Limited announce that with effect from the close of business on 12th January, 1976 their Base Rate was decreased from 11% to 10½% per annum. The basic interest rate for deposits was decreased by ½% from 7% to 6½% per annum.

BARCLAYS

BARCLAYS International

Barclays Bank Limited, 54 Lombard Street, London EC3P 3AH.

APPOINTMENTS

Two new directors for Union Discount

Mr. T. H. Bevan and Mr. D. G. Scholey have been appointed directors of the UNION DISCOUNT COMPANY OF LONDON. Mr. Bevan is deputy chairman of Barclays Bank and a director of the Commercial Union Assurance Company. Mr. Scholey is vice-chairman of S. G. Warburg and Co.

CANNELL LAIRD SHIPBUILDERS confirms the appointment of the managing director, Mr. G. A. Smith as chief executive. This appointment is in planned succession to Mr. J. G. Day, who has been seconded to the Organising Committee for British Shipbuilders for the remainder of his contract with Cannell Laird and has therefore resigned as deputy chairman and chief executive of the company.

Mr. R. M. Cox-Johnson has resigned his directorship of LEOPOLD JOSEPH HOLDINGS and its subsidiaries to take up another appointment which will be announced in due course. Mr. Louis Heymann will be the director in charge of the investment department of the Bank.

Mr. Judson Hannigan has resigned as president of the INTERNATIONAL PAPER COMPANY and his responsibilities

have been assumed by Mr. J. Stanford Smith, chairman and chief executive. Mr. Smith cited differences concerning organisation as the reason for the resignation. Mr. Hannigan served in various manufacturing positions prior to being named president on January 1, 1974.

Miss Winifred Salter has been appointed managing director of CRESTA SILKS, a member of the Debenhams Group, from February 1. Previous positions held by Miss Salter included assistant general manager of Peter Jones, then personal assistant to Sir Charles Clore, and secretary to the British Shoe Corporation, Setfride, including Miss Selfridge, Lewis and a number of other concerns.

Sir Henry Johnson will retire from MEPC on March 31 and will be succeeded as chairman by Sir Gerald Threlk. At his own request, Mr. Peter Anker is to relinquish his position as managing director on March 1, but will continue as a director. Arrangements are being made for Mr. Anker to assume new responsibilities for the operations of MEPC in North America. From March 1 Sir Gerald will undertake, for the time being, the duties of managing director.

the Midlands where the new organisation will be seeking to increase its market share.

Mr. N. D. Brown and Mr. R. A. Freeman have been appointed managers of BARRING BROTHERS AND CO.

Professor W. H. Cockcroft, Professor of Pure Mathematics in the University of Hull has been appointed vice-chancellor of the NEW UNIVERSITY OF ULSTER, Coleraine, Northern Ireland, from October 1.

Mr. R. L. E. Keates, a multi-board member of Richards and Wallington Industries, has joined the Board of RICHARDS AND WALLINGTON (LONDON).

Mr. J. L. Dickinson has been appointed chairman of WEYROC, a subsidiary of the Swedish Match Company.

Mr. R. H. King has been appointed a non-executive director of LANKRO CHEMICALS GROUP. Mr. King is a director of Metal Box and chairman and chief executive of Metal Box Divestment Products.

Mr. J. F. P. Albert has succeeded Mr. A. E. Hudson as chairman of BARKING ZINC OXIDE. Mr. J. Manner, general manager, and Mr. L. R. Dewart have joined the Board.

National Westminster Bank

Rate Changes

National Westminster Bank announces that for balances in its books as from and including Tuesday, 13th January 1976 its Base Rate for lending is reduced from 11% to 10½% per annum and its Deposit Rate on all amounts lodged, subject to seven days' notice of withdrawal, is 6½% per annum.

Savings Accounts will now attract interest at 6½% per annum.

All other rates remain unchanged.

THE LIST OF APPLICATIONS WILL BE OPENED AND CLOSED ON THURSDAY, 15th JANUARY 1976

13 per cent TREASURY STOCK, 1990

ISSUE OF £600,000,000 AT £96.00 PER CENT

Payable in Full on Application.

Interest payable half-yearly on 15th January and 15th July

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Applications have been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive applications for the above Stock. The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom. The Stock will be repaid at par on 15th January 1990.

The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable by instrument under the signature of the registered holder in writing in accordance with the Stock Transfer Act 1963. Transfers will be free of stamp duty. Interest will be payable half-yearly on 15th January and 15th July. The first payment will be in respect of six months' interest and will be made on 15th July 1976. Interest warrants will be transmitted by post; income tax will be deducted from payments of more than 15% per annum.

Stock of this issue will be exempt from stamp duty from all United Kingdom taxation, present or future, so long as it is shown that the Stock is in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom. Furthermore, the interest payable on Stock of this issue will be exempt from United Kingdom income tax, present or future, so long as it is shown that the Stock is in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom. Moreover, the allowance of the exemptions is subject to the provisions of any law, present or future, of the United Kingdom directed to preventing avoidance of taxation by persons domiciled, resident, or ordinarily resident in the United Kingdom, and, in particular, the interest will not be exempt from income tax where, under any such provision, it falls to be treated for the purposes of the income tax Acts as income of any person domiciled or ordinarily resident in the United Kingdom.

Applications for exemption from United Kingdom income tax should be made in such form as may be required by the Commissioners of Inland Revenue. The appropriate forms may be obtained from the Inspector of Foreign Dividends, Inland Revenue, Littlewood Road, Thames Ditton, Surrey, KT20 0DP. These exemptions will not entitle a person to claim repayment of tax deducted from interest under the claim to such repayment to be made within the time limit provided for such claims under income tax law; under the provisions of the Taxation Management Act 1970, Section 41 (1), no such claim will be outside the time limit if it is made within six years from the date on which the interest is payable. In addition, these exemptions will not apply so as to exclude the interest from any competition for taxation purposes of the profits of any trade or business carried on in the United Kingdom. Moreover, the allowance of the exemptions is subject to the provisions of any law, present or future, of the United Kingdom directed to preventing avoidance of taxation by persons domiciled, resident, or ordinarily resident in the United Kingdom, and, in particular, the interest will not be exempt from income tax where, under any such provision, it falls to be treated for the purposes of the income tax Acts as income of any person domiciled or ordinarily resident in the United Kingdom. Applications, which must be accompanied by payment in full for the amount applied for, for £100 of Stock or a multiple thereof, must be made to the Bank of England, New Issues, Walling Street, London, E.C.4A, a separate cheque must accompany each application. Applications must be for £100 of Stock or a multiple thereof; no allowance will be made for a less amount than £100 of Stock. Letters of allotment in respect of Stock allotted will be despatched by post at the risk of the applicant. In the case of partial allotment, the surplus after providing for payment for the amount allotted will be refunded by cheque.

Letters of allotment may be split into denominations of multiples of £100. They may be lodged for registration forthwith and in any case must be lodged for registration not later than 15th March 1976. A commission at the rate of 0.50p per £100 of the Stock will be paid to bankers or stockbrokers on allotments made in respect of applications bearing their stamp; however, no payment will be made where the banker or stockbroker would receive by way of commission a total of less than 2p. Application forms and copies of this prospectus may be obtained at the Bank of England, New Issues, Walling Street, London, E.C.4A, or at any of the branches of the Bank of England; at the Bank of Ireland, P.O. Box 12, Donagh Place, Belfast, BT1 3BX; from Messrs. Milners & Co., 15 Moorgate, London, EC2R 8AH; or at any office of The Stock Exchange in the United Kingdom.

BANK OF ENGLAND
13th January 1976

THIS FORM MAY BE USED

For use by Banker or Stockbroker claiming commission—
(Stamp) VAT Regn. No. (If not registered put "NONE").

THE LIST OF APPLICATIONS WILL BE OPENED AT 10 AM ON THURSDAY, 15th JANUARY 1976 AND WILL BE CLOSED ON THE SAME DAY

13 per cent Treasury Stock, 1990

ISSUE OF £600,000,000 AT £96.00 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND
We request you to allot to me in accordance with the terms of the prospectus

dated 9th January 1976

£

I, the above-named Stockholder, do hereby request that any letter of allotment in respect of the Stock allotted to me be sent to me by post at my own risk.
The sum of £100, being the amount required for payment in full (namely £100 of the Stock applied for), is enclosed.
I declare that the applicant is not resident outside the Scheduled Territories and that the security is not being acquired by the applicant as the nominee of any person(s) resident outside these Territories.

January 1976

SIGNATURE

PLEASE USE BLOCK LETTERS

SURNAME AND DESIGNATION
MR/MRS/MISS OR TITLE
FIRST NAME(S) IN FULL
ADDRESS IN FULL

Applications must be for £100 of the Stock or a multiple thereof, and should be lodged at the Bank of England, New Issues, Walling Street, London, EC4A 3AA. A separate cheque must accompany each application. Cheques should be made payable to "Bank of England" and crossed "Treasury Stock". If this declaration cannot be made it should be deleted and reference should be made to an Authorised Depositary or in the Republic of Ireland, an Approved Agent, through whom allotment should be effected. Authorised Depositaries are listed in the Bank of England's Notice EC 1 and include most banks and stock brokers and practising solicitors in the United Kingdom, the Channel Islands or the Isle of Man. Approved Agents in the Republic of Ireland are defined in the Bank of England's Notice EC 18. The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

THE LIST OF APPLICATIONS WILL BE OPENED AND CLOSED ON THURSDAY, 15th JANUARY 1976

9½ per cent TREASURY STOCK, 1980

ISSUE OF £500,000,000 AT £93.25 PER CENT

Payable in Full on Application

Interest payable half-yearly on 14th May and 14th November

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Applications have been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive applications for the above Stock. The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom. The Stock will be repaid at par on 14th May 1980.

The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable by instrument under the signature of the registered holder in writing in accordance with the Stock Transfer Act 1963. Transfers will be free of stamp duty. Interest will be payable half-yearly on 14th May and 14th November. The first payment will be made on 14th May 1976 at the rate of £13.25 per £100 of the Stock; interest warrants will be transmitted by post; income tax will be deducted from payments of more than 15% per annum. Stock of this issue will be exempt from stamp duty from all United Kingdom taxation, present or future, so long as it is shown that the Stock is in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom. Furthermore, the interest payable on Stock of this issue will be exempt from United Kingdom income tax, present or future, so long as it is shown that the Stock is in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom. Moreover, the allowance of the exemptions is subject to the provisions of any law, present or future, of the United Kingdom directed to preventing avoidance of taxation by persons domiciled, resident, or ordinarily resident in the United Kingdom, and, in particular, the interest will not be exempt from income tax where, under any such provision, it falls to be treated for the purposes of the income tax Acts as income of any person domiciled or ordinarily resident in the United Kingdom.

Applications for exemption from United Kingdom income tax should be made in such form as may be required by the Commissioners of Inland Revenue. The appropriate forms may be obtained from the Inspector of Foreign Dividends, Inland Revenue, Littlewood Road, Thames Ditton, Surrey, KT20 0DP.

These exemptions will not entitle a person to claim repayment of tax deducted from interest under the claim to such repayment to be made within the time limit provided for such claims under income tax law; under the provisions of the Taxation Management Act 1970, Section 41 (1), no such claim will be outside the time limit if it is made within six years from the date on which the interest is payable. In addition, these exemptions will not apply so as to exclude the interest from any competition for taxation purposes of the profits of any trade or business carried on in the United Kingdom. Moreover, the allowance of the exemptions is subject to the provisions of any law, present or future, of the United Kingdom directed to preventing avoidance of taxation by persons domiciled, resident, or ordinarily resident in the United Kingdom, and, in particular, the interest will not be exempt from income tax where, under any such provision, it falls to be treated for the purposes of the income tax Acts as income of any person domiciled or ordinarily resident in the United Kingdom. Applications, which must be accompanied by payment in full for the amount applied for, for £100 of Stock or a multiple thereof, must be made to the Bank of England, New Issues, Walling Street, London, E.C.4A, a separate cheque must accompany each application. Applications must be for £100 of Stock or a multiple thereof; no allowance will be made for a less amount than £100 of Stock. Letters of allotment in respect of Stock allotted will be despatched by post at the risk of the applicant. In the case of partial allotment, the surplus after providing for payment for the amount allotted will be refunded by cheque.

Letters of allotment may be split into denominations of multiples of £100. They may be lodged for registration forthwith and in any case must be lodged for registration not later than 15th March 1976. A commission at the rate of 0.50p per £100 of the Stock will be paid to bankers or stockbrokers on allotments made in respect of applications bearing their stamp; however, no payment will be made where the banker or stockbroker would receive by way of commission a total of less than 2p. The interest date for the 14th May 1976 will be paid separately on existing holdings of 9½ per cent Treasury Stock, 1980 and on holdings of "A" stock; consequently, interest warrants or substitutes for income tax exemption received in respect of existing holdings of "A" stock will not be affected by the new issue. Letters of allotment may be obtained at the Bank of England, New Issues, Walling Street, London, E.C.4A, or at any of the branches of the Bank of England; at the Bank of Ireland, P.O. Box 12, Donagh Place, Belfast, BT1 3BX; from Messrs. Milners & Co., 15 Moorgate, London, EC2R 8AH; or at any office of The Stock Exchange in the United Kingdom.

BANK OF ENGLAND
13th January 1976

THIS FORM MAY BE USED

For use by Banker or Stockbroker claiming commission—
(Stamp) VAT Regn. No. (If not registered put "NONE").

THE LIST OF APPLICATIONS WILL BE OPENED AT 10 AM ON THURSDAY, 15th JANUARY 1976 AND WILL BE CLOSED ON THE SAME DAY

9½ per cent Treasury Stock, 1980

ISSUE OF £500,000,000 AT £93.25 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND
We request you to allot to me in accordance with the terms of the prospectus

dated 9th January 1976

£

I, the above-named Stockholder, do hereby request that any letter of allotment in respect of the Stock allotted to me be sent to me by post at my own risk.
The sum of £100, being the amount required for payment in full (namely £100 of the Stock applied for), is enclosed.
I declare that the applicant is not resident outside the Scheduled Territories and that the security is not being acquired by the applicant as the nominee of any person(s) resident outside these Territories.

January 1976

SIGNATURE

PLEASE USE BLOCK LETTERS

SURNAME AND DESIGNATION
MR/MRS/MISS OR TITLE
FIRST NAME(S) IN FULL
ADDRESS IN FULL

Applications must be for £100 of the Stock or a multiple thereof, and should be lodged at the Bank of England, New Issues, Walling Street, London, EC4A 3AA. A separate cheque must accompany each application. Cheques should be made payable to "Bank of England" and crossed "Treasury Stock". If this declaration cannot be made it should be deleted and reference should be made to an Authorised Depositary or in the Republic of Ireland, an Approved Agent, through whom allotment should be effected. Authorised Depositaries are listed in the Bank of England's Notice EC 1 and include most banks and stock brokers and practising solicitors in the United Kingdom, the Channel Islands or the Isle of Man. Approved Agents in the Republic of Ireland are defined in the Bank of England's Notice EC 18. The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

MORGAN STANLEY INTERNATIONAL

a wholly-owned subsidiary of

MORGAN STANLEY HOLDINGS

Incorporated

will continue the business of

MORGAN & CIE INTERNATIONAL S.A.

MORGAN STANLEY & CO.

1251 Avenue of the Americas

New York, N.Y. 10020

MORGAN STANLEY INTERNATIONAL

Place de la Concorde

75008 Paris, France

effective January 1, 1976

LEGAL NOTICES

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In the Matter of DERRY COURT (LONDON) LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice, presented to the said Court by JOHN REYNOLDS and RICHARD PINK trading together as REYNOLDS & PINK, Solicitors, of 15 Abchurch Lane, London, E.C.4A, on the 12th day of January 1976, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing, in person or by his counsel for that purpose; and by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the undersigned notice in writing of his intention to do so. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of January 1976.

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In the Matter of DERRY COURT (LONDON) LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice, presented to the said Court by JOHN REYNOLDS and RICHARD PINK trading together as REYNOLDS & PINK, Solicitors, of 15 Abchurch Lane, London, E.C.4A, on the 12th day of January 1976, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing, in person or by his counsel for that purpose; and by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the undersigned notice in writing of his intention to do so. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of January 1976.

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In the Matter of DERRY COURT (LONDON) LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice, presented to the said Court by JOHN REYNOLDS and RICHARD PINK trading together as REYNOLDS & PINK, Solicitors, of 15 Abchurch Lane, London, E.C.4A, on the 12th day of January 1976, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing, in person or by his counsel for that purpose; and by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In the Matter of KENNETH RYMER LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice, presented to the said Court by JOHN REYNOLDS and RICHARD PINK trading together as REYNOLDS & PINK, Solicitors, of 15 Abchurch Lane, London, E.C.4A, on the 12th day of January 1976, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing, in person or by his counsel for that purpose; and by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the undersigned notice in writing of his intention to do so. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of January 1976.

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In the Matter of KENNETH RYMER LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice, presented to the said Court by JOHN REYNOLDS and RICHARD PINK trading together as REYNOLDS & PINK, Solicitors, of 15 Abchurch Lane, London, E.C.4A, on the 12th day of January 1976, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing, in person or by his counsel for that purpose; and by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the undersigned notice in writing of his intention to do so. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of January 1976.

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In the Matter of KENNETH RYMER LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice, presented to the said Court by JOHN REYNOLDS and RICHARD PINK trading together as REYNOLDS & PINK, Solicitors, of 15 Abchurch Lane, London, E.C.4A, on the 12th day of January 1976, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing, in person or by his counsel for that purpose; and by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In the Matter of COLLINS TELEVISION ASSOCIATES LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice, presented to the said Court by JOHN REYNOLDS and RICHARD PINK trading together as REYNOLDS & PINK, Solicitors, of 15 Abchurch Lane, London, E.C.4A, on the 12th day of January 1976, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing, in person or by his counsel for that purpose; and by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the undersigned notice in writing of his intention to do so. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of January 1976.

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In the Matter of COLLINS TELEVISION ASSOCIATES LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice, presented to the said Court by JOHN REYNOLDS and RICHARD PINK trading together as REYNOLDS & PINK, Solicitors, of 15 Abchurch Lane, London, E.C.4A, on the 12th day of January 1976, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing, in person or by his counsel for that purpose; and by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the undersigned notice in writing of his intention to do so. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of January 1976.

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In the Matter of COLLINS TELEVISION ASSOCIATES LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice, presented to the said Court by JOHN REYNOLDS and RICHARD PINK trading together as REYNOLDS & PINK, Solicitors, of 15 Abchurch Lane, London, E.C.4A, on the 12th day of January 1976, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing, in person or by his counsel for that purpose; and by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In the Matter of PRINCE LTD and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice, presented to the said Court by JOHN REYNOLDS and RICHARD PINK trading together as REYNOLDS & PINK, Solicitors, of 15 Abchurch Lane, London, E.C.4A, on the 12th day of January 1976, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of January 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing, in person or by his counsel for that purpose; and by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the undersigned notice in writing of his intention to do so. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of January 1976.

In the HIGH COURT OF JUSTICE
Chancery Division Companies Court. In the Matter of PRINCE LTD and in the Matter of the Companies Act,

FINANCIAL TIMES REPORT

Tuesday January 13 1976

Hotels and Catering

The past year has seen some stabilisation, although not at the level most of those in the business would like to have experienced. Now parts of the industry at least are looking to a steady growth in foreign tourism.

A thought for the price of oil or the value of the pound. That circumstances have changed, however, does not necessarily mean that the game is over completely. Just because a 1100 cc car is better suited to today's life-style than a thirsty five-litre monster does not mean that motoring is dead.

The problem with any global view is that it inevitably misses some of the lumps and bumps on the scene. To take the line that 1975 was going to see no more hotel failures, no more restaurant closures, and no more cries of desperation from some sections of the industry to what at times appears a largely deaf Government, is foolish. The economic environment is still of such nature that disasters are not only possible, they are inevitable. Hotel groups which are most exposed probably remain those which were late into the building spree of a few years ago (those were the days!) and placed expensive property in marginal locations where the profits might have been considerable had the growth in business been produced. In the catering business the signals are set at danger still for those restaurants which are at the top end of the market and which do not have a healthy foreign traffic to sustain them.

But clearly profitability is available. Centre Hotels appears to have found a formula which has seen it through some very rough market waters with a great deal more success than some of its rivals. Mr. Edgar

Gerhardt, managing director of Crest Hotels, the Bass Charington offshoot which took much of the Esso hotel chain into its arms in early 1973, wears a cautious smile on his face these days. Crest has actually seen its profitability rise recently. Penta Hotels, the international group owned by several airlines and banks co-operatively, has been able to increase its real room rates to more acceptable levels lately and thus face the future with considerable confidence.

This question of real rates is one of increasing importance to all sectors of the industry. Consultant Mr. Melvyn Greene, a keen student of the industry scene has predicted that 1976 will be the "year of Average Room Rates" compared with 1975 being the "Year of Occupancy" as far as hotels are concerned, but in fact this view is effective for the whole of the catering industry. In 1974 to some extent and certainly in the earlier parts of 1975 there was a desperate urgency throughout the business to maintain turnover at almost whatever cost.

Tariffs

This was evident in the hotel business when an examination was made of actual tariffs being charged, as opposed to those being officially quoted. It was clear also in restaurants, where operators were unwilling to increase prices in order to keep pace with the inflation of their

own costs simply because they were terrified of losing custom. This is a perfectly acceptable commercial path provided it is followed for a relatively short time—in other words it is a useful tool during a temporary recession. It is much less useful, indeed perhaps ruinous, when the adverse conditions last for some time and when they cross the border from recession to slump.

There is ample evidence in some establishments—notably perhaps in that esoteric world of men's clubs—of failure to keep prices at the right levels for continued financial health. It does not take long to reach the stage where there is not enough money for refurbishing, nor does it take long to pass the point where the customers grow accustomed to under-priced facilities and object fiercely to any attempt at change.

The bigger groups, such as Grand Metropolitan, Trust Houses Forte and Common-wealth Holiday Inns, did not chase down the road of price-cutting quite as fast as some others (although they did make a slight stroll along that way) but are now managing to get things on to a better basis. Whether others will be able to

do so depends very much on the scale of demand over the coming months.

There is no escaping the fact, none the less, that the most important aspect of the hotel and catering industry over the next 12 months is going to be the state of the British national economy. Given a measure of revival there is no particular reason why the hotel business should not pick up fairly quickly. This is more especially true of that sector of the trade orientated towards the businessman.

Willing

There must be less optimism for the up-market catering and hotel industry aimed at the private individual. While the Government might be willing to see a little more cash flow into industry in the relatively near future, there is less reason to believe that the present inhabitants of the Cabinet room will be keen to see a rapid revival in the fortunes of the middle classes. It might, therefore, be wise to take a longer view of prospects for that sector of the industry, such as the better provincial restaurants and resort hotels of the foreign touristist best.

The tendency in the leisure

sector of the market must surely be towards self-catering units, the smaller, perhaps more specialised restaurant operation, and even more "fast food."

All this might seem rather dull stuff for an industry many of whose leaders were trained in a day when someone in the kitchen would slave for an age to ensure that the sauce bear-naise was prepared to perfection for each individual guest, and that the bathroom towels were replaced the instant a visitor had deigned to use them. Such service can still be had—at a price—but since the price of a basic modern provincial room with bath in Britain is likely to go through the £12 barrier this year the bill is likely to be high.

There might be some sighs of woe, but the late seventies are likely to see more standardisation at every level in the industry. Let us hope that this trend also brings with it a measure of economic health, otherwise we all might be raising our glasses of standard carafe plonk, in our standard plastic dining room and wondering whether or not it was all really worth it.

Arthur Sandles

Knight Frank & Rutley



HOTELS DEPARTMENT
for
SALES
PURCHASES
& VALUATIONS

Throughout the United Kingdom and Overseas



Knight Frank & Rutley
20 Hanover Square London W1R 0AH
Telephone 01-629 8171 Telex 265384

Truly professional hoteliers know that the reputation of their hotel depends less on bathrooms than on the hotel's restaurant. And yet, all too often an otherwise impeccable hotel murders its food with revolting wine, mainly because the wine list is "farmed out" to mere plonk merchants who use such lists to dispose of their less successful lines.

GENEVIEVE WINE CELLARS

can help here. They have the specialised knowledge gained by supplying London's best restaurants and either Joseph Berkman (well-known for his discerning palate) or Jacques Gonard will gladly look at your list and suggest improvements. Naturally they will want to sell you some of their excellent beaujolais and maconnais from Georges Dubouef, but for all other wines they will simply recommend suppliers whose integrity matches their own.

GENEVIEVE WINE CELLARS

167, Caledonian Road, London N1 0SP 01-278 1591

A switch to budget eating

ANY in which the British changed their eating last year came as some shock to the catering industry—and shocks are not only reduced when you are about to receive them. There were plenty of around a couple of years ago that the writing was on the wall for some sectors of the restaurant business, but the pinch came it still seems to be that people are eating more because they need to eat, rather than to make an occasion of the affair.

The changes in habits can be illustrated in a variety of ways. From listing the names of upper bracket operations which have closed to noting the changes in eating locations. However, it is interesting also to note that the last Hotels and Catering EDC report showed a decline in British meat eating. Meat was the main course of 51 per cent. of British meals out in early 1975, compared with 58 per cent. a year earlier—and fish and poultry did not increase in popularity to fill the gap. The trend patently is towards other forms of food than basic traditional protein products.

blue-collar workers increased their real income in 1974 and early 1975, rather faster than white-collar middle-class executives. This additional real money may have encouraged eating out. Now that blue-collar real incomes are also under attack some of that growth may peter out.

The underlying theme of present catering circumstances seems to be that people are eating more because they need to eat, rather than to make an occasion of the affair.

The changes in habits can be illustrated in a variety of ways. From listing the names of upper bracket operations which have closed to noting the changes in eating locations. However, it is interesting also to note that the last Hotels and Catering EDC report showed a decline in British meat eating. Meat was the main course of 51 per cent. of British meals out in early 1975, compared with 58 per cent. a year earlier—and fish and poultry did not increase in popularity to fill the gap. The trend patently is towards other forms of food than basic traditional protein products.

Revolution

It now looks as if the great body of "middle class" restaurants are going to follow the more inexpensive establishments into paying close attention to simplification. The fast food revolution came when hamburger bars and fried chicken outlets moved in on the traditional homelands of fish and chips. Now the "occasion" restaurants, as opposed to the "necessity" locations, may have to follow similar paths. Any visitor to the U.S. will see the implications of such a trend. There restaurants in the \$10 to \$30 range (two people, bottle of wine included, £5-£15) are increasingly offering "themes" rather than comprehensive menus.

The "theme" is not necessarily simply a matter of making it a fish restaurant, a beef eater's delight, or an Italian haven—it narrows the choice much further, perhaps offering only scallops or shrimps instead of the full range of sea-food. The capital outgoings on such a project can be higher, in that the but the has to suit the theme, but the on-going costs are considerably lower. If the restaurant offers ribs and ribs alone, obviously the kitchen costs are much less than when the chef is required to produce anything from a

wide ranging menu. Whatever the psychological objections to such a system it seems to work very well in major U.S. conurbations, where the range of speciality outlets is sufficiently wide to meet local demand.

Shortening of menus, and wine lists, means savings in a variety of ways besides the obvious ones of "reduced costs both back and front stage. Wastage can be reduced and the need for expertise at all levels is virtually eliminated.

All this is of no help, of course, to those operations which rely on a longish sophisticated menu and attentive, intelligent waiting for their custom. Unfortunately the number of customers who can afford to pay for such attention is to say the least static, if not reducing in number, in the U.K.

The problem for both the consumer and the industry is the intermediary stage. As far as the industry is concerned any switch in target market requires a fair amount of heart surgery, and not a little cash. The consumer meanwhile has to adapt to a new situation in which he can no longer expect his local restaurant to offer every dish under the gastronomic sun, and to prepare these meals with expertise and flair.

Not least of the difficulties for restaurants currently is deciding whether the current trading position is permanent, or merely a passing phase. Obviously if widespread sophistication in eating habits is to be the pattern of the 1980s there is very little point in retreating to limited menus. But if costs are to continue escalating faster than the middle-to-up market customers can afford to pay, then the sooner restaurateurs adapt, the better.

The introduction of constant EDC monitoring of the catering industry is likely to prove one of the most valuable catering weapons the industry has seen for a long time. At least it helps us all to do more than just theorise about what is happening in the industry. Nevertheless, a historic record of what has happened over the past few months is no replacement for the decision-making process, or what is going to happen over the next few years. At the moment the waters are a little muddled, but fortunes await those who can see through the mud with any degree of clarity.

Arthur Sandles

Why British Home Stores chose an all-electric recipe to serve half a million customers a week.



If you want an object lesson in top quality popular catering, you can't beat British Home Stores.

Week in, week out, their in-store restaurants serve half a million customers with appetising, low-priced meals and snacks. In clean, bright surroundings. With friendly, welcoming service.

And all the equipment they use—for cooking, preparation, serving, storage, washing-up—is electric.

"Electricity fits in completely with our

system," say BHS. "We demand the utmost cleanliness, efficiency, and convenience. Electric equipment has it all."

Your own catering operation may not be as big as British Home Stores, but electricity can help you be just as efficient. Talk to the specialists at your Electricity Board, or contact the Electric Catering Centre, 45 St Martin's Lane, London WC2N 4EJ. Telephone 01-836 7337. Benefits, costs, plans, equipment—we can advise you on them all.



London Electricity Board, Mr. W. F. Sedgwick, Tel: 01-638 4732
South Eastern Electricity Board, Mr. H. W. Dammann, Tel: 0273 738211
Southern Electricity Board, Mr. J. E. Monk, Tel: 062-862 2168

East Midlands Electricity Board, Mr. R. Russell, Tel: 0502 259711
Midlands Electricity Board, Mr. G. H. Wood, Tel: 021-422 4000
South Wales Electricity Board, Mr. W. E. Coney, Tel: 0222 782111

North Eastern Electricity Board, Mr. R. W. Sturt, Tel: 0632 27520
North Western Electricity Board, Mr. B. Longton, Tel: 061-834 8161
South Scotland Electricity Board, Miss E. J. Caldwell, Tel: 041-637 7177

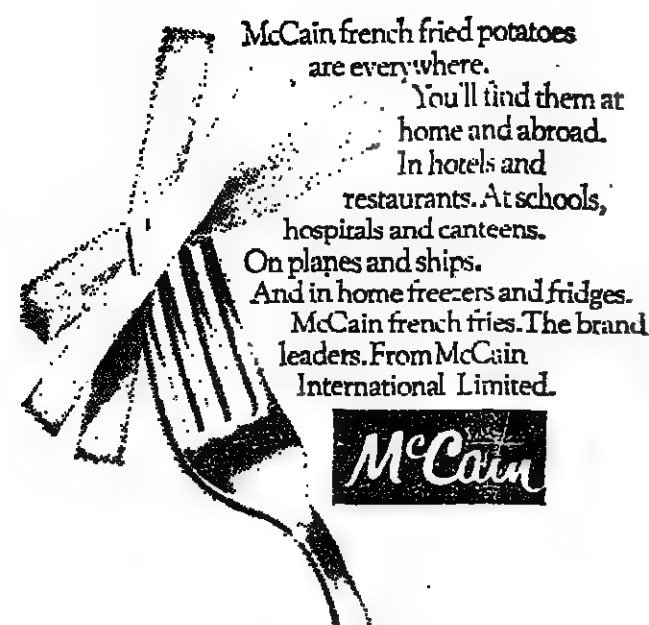
South Western Electricity Board, Mr. S. A. Radford, Tel: 0272 26062
Eastern Electricity Board, Mr. L. A. Kershaw, Tel: 0473 55841
North Scotland Electricity Board, Mr. R. C. Benzie, Tel: 031-225 1361

Merseyside and North Wales, Mrs. J. M. Dimch, Tel: 0244 40133
Yorkshire Electricity Board, Mr. E. Reynard, Tel: 0532 892123

Manage
efficiently
with
Electricity

THE ELECTRICITY COUNCIL, ENGLAND & WALES

THE BEST FRENCH FRY MONEY CAN BUY



McCain french fried potatoes are everywhere.

You'll find them at home and abroad. In hotels and restaurants. At schools, hospitals and canteens. On planes and ships. And in home freezers and fridges. McCain french fries. The brand leaders. From McCain International Limited.

National Sales Office, Funtams Lane, Whitlesey, Nr. Peterborough PE7 2PG.
Phone: Whitlesey (STD 0731) 3051.

FALCON INN—dividuality

Fine Hotels, comfortable bedrooms, excellent restaurants, parking space, good conference facilities and advantageous daily conference rates. Each Falcon Inn has character and each of our hotel managers is keen to show what he and his staff can do. Try them for yourself, they are to be found at:

Barnby, Oxfordshire
Barnby Moor, Nottinghamshire
Brandon, Nr. Coventry, Warwickshire
Chester, Cheshire
Eastbourne, Sussex (no car park)
Frimley, Nr. Camberley, Surrey
Harrogate, Yorkshire
Hilley, Yorkshire
Kewick, Cumbria
Stratford-upon-Avon, Warwickshire
Windermere, Cumbria
Carmarthen, Dyfed
Llanelli, Dyfed
Gatcliffe-on-Fleet
(Doncaster and Galloway)
North Warwick, Lethian
Pitlochry, Tayside

Wharfedale Hall
Ye Olde Bell
Brandon Hall
Chester Curzon
Mansion
Frimley Hall
Crown
Craiglands
Kewick
Swan's Nest
Belfield
Ivy Bush Royal
Serafey Park Hotel
Cally
Marine
Athol Palace

For further information and booking please contact:

FALCON INNS LIMITED
44, HAMMERSMITH ROAD,
LONDON W14 8PA
TELEPHONE: 01-603 8072 01-603 8785
TELEX: 971669

See a Falcon Inn—from within



HOTELS AND CATERING II

A struggle for hotels

AFTER ENDURING a period of when making a profit at all was something of a managerial triumph, the hotel industry now faces a less dramatic but much longer struggle. Those groups or single hotel operations which have survived inflation and recession this far must have some reasonable trading level. But they are faced with forecasts which suggest that growth in demand, if it appears at all, is likely to be irregular. Any real upsurge is unlikely before the 1980s.

This is a long time to wait if it is only then that the £300m. invested in creating major new U.K. hotel capacity since 1969 begins to earn a proper return. Summers like last year's cannot be relied on to swell bar receipts, and in many respects hotels get the worst of national incomes policies like the 56 a week deal: the above average incomes of hotel users are shrunk, while 56 is a heavy percentage increase if it were widely adopted in an admittedly under-unionsed industry where wages are low.

It would be false to assume that the trail of bankruptcies and receiverships is yet ended. Court Hotels (London) was the last quoted group to enter receivership and a study undertaken for the industry's Little Noddy—the Hotel and Catering Economic Development Committee—suggests that over the next decade more than 3,000 hotels may be forced to close.

Needs

The question is whether this survival of the fittest period is likely to produce a total U.K. bedstock which matches the needs of the next decade. Looking far enough ahead, there are those who already suggest, despite the widespread evidence of present overcapacity, that groups with good hotels on good sites when demand picks up are going to enjoy exceptional profits, high enough to tempt some into another rash of hotel construction.

While that may seem an unlikely enough scenario to be discarded for the present, the escalation of building costs has been such that, whatever present profits may be like, the replacement cost of today's hotels is rising rapidly.

The traditional sum done on hotel construction runs thus: if to £400,000 to encourage foreign businessmen to stay at its hotels in the price of each additional room is £1, then you must be paid back the other side of the coin by charging one-hundredth of

£1 for a night's occupancy. So when hotel rooms could be built for £10,000—a 500-room hotel for £5m—then £10 a night was what the management aimed to get. Once you have costs (even though site values have now declined) getting towards £30,000 a room, then you have to get £30 a night. At the moment there would seem to be a very limited market likely to want to pay such prices. It is very much the same situation as with office development, which has slowed to near-standstill because there seems no prospect of likely rents giving any return on funds borrowed to meet building costs.

Equally, as with office development, there is a powerful case that the absence of new building must create future shortages.

But the report completed by consultants for the Economic Development Committee (which is due to publish its survey of industry prospects till 1985 shortly) suggested that the area where future demand was likely to be strongest was mainly in London and mostly at the cheap end of the market. London and cheapness appear incompatible, particularly since cheapness means less than £5 a room at 1974 prices. The Committee has before tackled the problem of "budget beds," and any further solutions it offers to the problem will be a feature of its coming report.

For the present, the consultants spell out the familiar problems of rising direct and indirect costs, funding problems and an estimate of £130m. for what the Fire Precautions Act would cost the industry.

Against this background, what has kept some groups profitable and convinced others that, by the end of 1975, the worst was over?

The weakness of sterling has been a significant factor: it must account for much of the increase in holiday customers from Europe, which has gone some way to offsetting the loss of American business which has so affected groups like the Savoy. At the same time, the rising cost of foreign travel to Britons has been good for U.K. holiday hotels. A very much increased marketing effort abroad has also succeeded for some groups.

That marketing effort also extends to the business traveller. Trust Houses Forte, for instance, has just quadrupled its budget hotel construction runs thus: if to £400,000 to encourage foreign businessmen to stay at its hotels in the price of each additional room is £1, then you must be paid back the other side of the coin by charging one-hundredth of



The entrance to the Holiday Inn, Birmingham.

using the foreigners because of signs of a decline in British business customers.

This drop in business travel is something the hotel industry has been expecting for many months. Indeed most operators were surprised at the strength of the local business market through last year.

But it is now clear that company budget-cutting has now begun to show through in this sector. Just as the economies were slow to take effect, so hoteliers cannot be confident that an improvement in the general economic climate would quickly bring back the lost custom.

But despite such fears, there

is still much more confident growth, to ensure substantial among hoteliers than at this time last year. Centre Hotels (Cranston) is a company which, despite its growing foreign activities, would feel a decline in British business travel more than most. Its results have much along property company lines though without some of the high gearing and reduced margins, with pre-tax profits down to half the 1973 level. But the chairman is still sticking to the view that the company should not follow a policy of containment "which could produce short-term gains, but would fail to ensure the long-term prosperity of the company. This can only be achieved by continued highly selective

those with a proven management record, of management only contracts. Besides the like Penta which do not any hotels, it is significant that Grand Metropolitan (deputy record for good occupancy producing hotel profits around £3m. in 1974, profit nearer £3m. last year, hoping for approaching £3m. this year) should nevertheless see future growth coming quite a large extent from management contracts like two it has recently taken London on the Westmoreland and the Elizabeth Kensington. Grand Metropolitan, Trust Houses Forte, has a surprising residence in returns from its most expensive London hotels, with Middle East and East business taking up the slack. If Americans start to line up, in anything their old free-spending 1976, then the luxury as the capital trade should be secure.

This fairly successful among the larger (though better occupancy particularly in its cheaper Houses, did not drop on charges pushing THF in first half last year) despite the problems smaller groups. The Noddy reports on the lag due in the early summer likely to spell out a bleak 1976 for all less operators.

Quentin Guird

'Fast food' concept catches on

MR. BRIAN SALMON, chairman of J. Lyons, the company which for many years has held a leading position in the U.K.'s "fast food" business, said recently that "the success of Wimpy and our other fast-food franchises has confirmed our belief in them as the natural successors in popular appeal to our traditional High Street restaurants."

It is as long ago as 1959 that "Joe Lyons" teashops were phased out—although it is still possible to find references to them as though they still existed to-day, a tribute to the impact they made on the British way of life. Some years ago Lyons brought in the Jolyon restaurants in the tea shops' place. This concept broadened the menu and widened the tariff as the company attempted to keep up with changing living standards and the public's bigger spending power.

Now, said Mr. Salmon, the Jolyon operation is to be phased out and "the first priority for the sites will be for use as London Steak Houses or for franchise as Wimpy, Golden Egg or other similar operations. The steak house does not qualify as a "fast food" establishment. In the business, a "fast food" establishment is understood to be a place which offers simple dishes either to be eaten on the premises or to be taken away.

Lyons has established itself as the biggest influence so far in the U.K. in this type of business. Its Wimpy International franchise operation has spread throughout the country and there are to-day 620 Wimpy Bars, 120 Golden Egg restaurants and 80 Bake 'n Take take-away establishments. The Wimpy Bar concept has been exported to more than 35 other countries as well.

Like other successful fast-food franchise operations, the Wimpy business is very tightly controlled by central management and it almost seems that, after putting up his money, all the franchisee has to do is to manage his outlet. All the raw materials and packaging are supplied and the price of an important selection of menu items are centrally controlled along with the national advertising.

Traditionally the U.K. has not been a place to develop large chains of fast-food outlets. For many years the individually-owned fish and chip shop remained supreme. But that is all changing rapidly.

Perhaps the biggest "threat" to Wimpy, at least in the long-term, has been the arrival at

long last in the U.K. of McDonald's, the sensationally successful American business which is responsible for the world's largest hamburger restaurant chain. McDonald's operates in 19 countries, mostly on a franchise basis and has sales of more than \$2bn. and profits of over \$67m.

Premises

In the U.K. McDonald's is operating through a company in which it has a 45 per cent. shareholding. Bob Rison, an American who gave up his franchise in Ohio to move to Britain, has another 45 per cent. of the company while Englishman Geoffrey Wade, formerly a director of the Burton group, has the remaining 10 per cent.

Since the U.K. McDonald's moved into action in November 1974 by opening up at Woolwich, it has added only another three stores—at Catford, Croydon and Seven Sisters Road, North London. This is by no means a rapid rate of progress and it seems that the company has had some difficulty in finding suitable premises. For these have to be in a good position and at the same time be fairly large—the McDonald's establishments

tend to be around ten times the size of the average Wimpy bar. It certainly is not all that easy to find suitable sites and get the necessary planning permissions when you are attempting to establish a fast-food outlet. Associated Fisheries, in its attempts to set up, via its own and franchised shops, the "Seafarer" up-market fish and chip chain was not able to expand as fast as it would have liked because of planning permission problems, for example.

McDonald's says it hopes to be opening restaurants at a faster rate this year. But so far there is no sign of it moving out of the London area and into the provinces.

Wimpy also considers the Kentucky Fried Chicken chain to be among its major competitors. There have been a number of American fast-food franchise operators who have attempted to set up in Britain without noticeable success. Where now are Orange Julius, Smith's Kitchen and Dunkin' Donuts? But in the form of snacks and spend less on his meal eating out on leisure occasions. All the recent evidence of this tendency to "trade" has continued.

To some extent the advantage to the operator of the fast

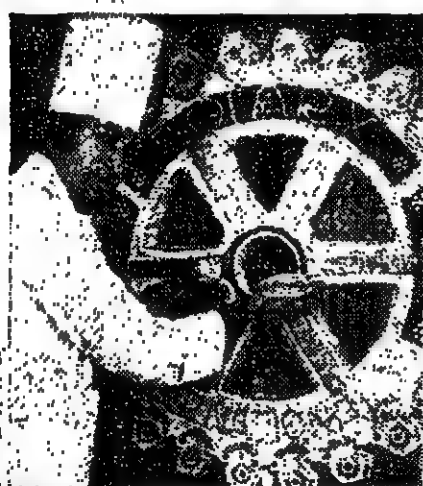
not see KFC as too much threat because KFC is entirely take-home. Both Wimpy and McDonald's concentrate nearly all efforts on providing roadside, attractive restaurant space only a small part of their new is take-home.

And both Wimpy and McDonald's agree that should benefit as the recession hits its impact on eating habits. The argument is: since people will no longer be able to afford the usual prices and will, instead, turn to the hamburger establishments particularly if that offer reasonable amenities.

This sentiment is backed by the latest report of the Hotels and Catering "Noddy." The report covers quarter to the end of 1975 and said that, on previous 12-month basis, "there are signs of pressure on the consumer to trade to take more of his meal spend less on his meal eating out on leisure occasions. All the recent evidence of this tendency to "trade" has continued.

CONTINUED ON NEXT PAGE

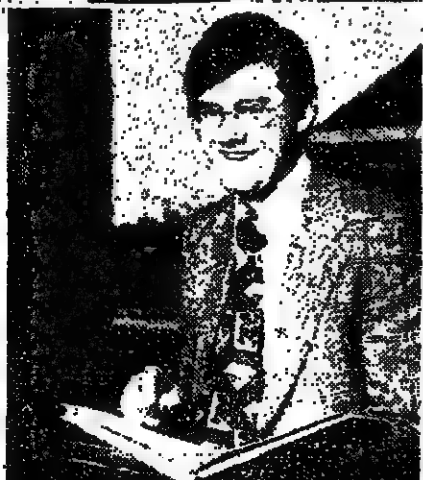
Proud to please.



Christian Johannes Brandt
First Chef Patissier
Apollo Hotel, Amsterdam
A first-class international hotel



Sheila Hiscocks
Head Housekeeper
Hyde Park Hotel, London
One of 10 THF hotels in Central London



Douglas Goodall
Manager
Post House Hotel
Swindon
One of 28 Post Houses in the United Kingdom



Kirk Brown
Doorman
Nassati Beach Hotel
Bahamas
A luxury resort hotel

What makes good hotel people? Quite simply, they like people. They enjoy meeting them, helping them.

People get hungry, and tired, and tense: they need food, and sleep, and entertainment.

Answering these needs is an ever-renewing task. Doing it well is a constant pleasure.

Now we're very big—indeed, the world's largest hotel and catering group. But our business is about one person welcoming another. If we ever forget that, we'll get no profit—and worse still, no satisfaction.

To learn more about the world of THF, contact Peter Cunard at Grosvenor House, Park Lane, London W1. If you want to make a reservation, telephone the THF Reservations Office on 01-567 3444.



Hotels

TRUST HOUSES FORTÉ—THE WORLD'S LARGEST HOTEL AND CATERING GROUP.

Stay comfortably within your budget...

at a Centre Hotel

Centre Hotels offer you all the comfort and facilities you expect from a modern hotel, at much lower prices. For £8.25 a night you can stay in a very comfortable single room with private bath and shower and the amenities provided usually include radio, electric alarm clock, dial heating, auto-dial telephone and TV—and the price includes breakfast and service VAT extra. You can enjoy a good three course meal from as little as £1.95 inclusive of service in the Restaurants and drinks in the bars are at equally reasonable prices. Centre Hotels are located in major centres all over Britain. So next time you stay away, sample a Centre Hotel, and stay comfortably within your budget.

Centre Hotels

For Comfort and Real Value

Centre Supranational Reservations

101 Great Russell Street, London WC1B 3JH. Tel: 01-637 1661. Telex: 263561.

Centre and Centrelink Hotels—London (7), Heythorpe, Basingstoke, Birmingham, Cardiff, Dundee (2), Edinburgh (3), Glasgow, Hull, Leicester, Liverpool, Portsmouth, York, Amsterdam, Rotterdam (4), and a wide range of hotels in the Midlands, South East, South West, Wales, and Ireland.

Centre Hotels are managed by Centrelink Hotels Ltd. and are a member of the International Hotel Management Association.

فندق الناصي

htels

Concept

y
t.

el

el

Up another 11, despite profit-taking Dollar recovers

BY OUR WALL STREET CORRESPONDENT.

EARLY PROFIT-TAKING was quickly absorbed on Wall Street today and the upward movement was resumed in active trading. After opening 3.46 off at 907.63, the Dow Jones Industrial Average moved ahead to 922.39, for a net gain of 11.26. The NYSE All Common Index further advanced 70 cents to 530.99, while rises outnumbered falls by more than a three-to-one majority. Trading volume expanded 3.8m. shares to 30.4m.

Analysts continued to attribute the New Year's rally to indications that the recent economic recovery will persist for several months.

The Commerce Department predicted that the economic expansion will continue through the year with almost all U.S. industries benefiting from sales gains.

In the Banking Industry, a prime rate cut to 7 per cent from 7 1/2 per cent became widespread.

Bank shares, however, were lower on some adverse Press comment. Citicorp, parent of First National City of New York, was the most active issue, and shares rose \$2.02 on a turnover of \$64,900 shares. Chase Manhattan fell \$1 to \$27.1.

Astec Oil and Gas jumped \$3 to \$27.1, Southland, which has petroleum and Houston Natural Gas have each announced bids for Astec shares.

Burroughs climbed \$3 to \$90.1, it said worldwide orders in the fourth quarter of 1975 rose 25 per cent from the same period a year earlier.

Polaroid rose \$1 to \$36.1—it will hold a Press Conference today to preview "new developments" by the company.

Texas Instruments gained \$1 to \$100.05 on the introduction of compact portable computer terminal.

Honeywell picked up \$2 to \$37.1 on plans to strengthen its position in the computer market.

Marley were lifted \$1 to \$38. U.S. Steel rose \$1 to \$72.1, Dana \$4 to \$40.1, Avnet \$1 to \$13.1 and Avon Products \$2 to \$27.1.

The American SE Market Value Index moved up 1.41 to 90.23, while advances led declines by 524 to 230.

Sherwood Medical Industries rose \$2 to \$13.1 on improved prospects. Syntex put up \$2 to \$32.1, Presley \$1 to \$10.1 and Kewanee Industries \$2 to \$18.1.

Minerals rose B.Fr.50 to 1.370, and Vieille Montagne B.Fr.75 to 4.375. Steels finished little changed. In metals Chemicals, Solvay lost \$2.50 to 2.355, but Gevaert put on B.Fr.10 to 1.206.

Electricals and Utilities were narrowly mixed. In higher Holdings, Societe Generale gained B.Fr.30 to 2.720. Oils eased.

U.S. shares were mixed, German and French stocks were steady, while South African Gold Mines eased.

AMSTERDAM—Broadly higher. In International, Akzo rose Fl.0.60, Royal Dutch Fl.2.10 and Unilever Fl.1.00.

BRUSSELS—Predominantly higher following continued active trading. Metals advanced. Union

coverings and support. But activity was generally quite slow.

SWITZERLAND—Mixed in active trading. The Swiss National Bank was steady. Financials advanced, Insurance declined, while Industrials and Chemicals were mixed.

Kleinfelder rose Fr.50 to 1.390, Hotel Columbus Fr.35 to 1.030 and Landis Fr.10 to 6.00.

State Bonds again firmed in fairly active dealings.

Dollar stocks also firmed slightly in an active turnover, Dutch Industrials were very steady, while Germans were inclined easier.

GERMANY—Markets tended to be reflecting some selling by Foreign investors and slack buying interest.

Mannmann dipped DM15.0, Dresdner Bank DM14.50 and Siemens DM13.00.

Leading Chemicals and Motors lost between DM12.00 and DM32.50 while Stores fell up to DM3.00 and Engineering gave way up to DM4.00.

The Domestic Bond Market was mixed. The Regulating Authorities sold about DM6m. nominal of Federal Foreign Loans were firmed.

HONG KONG—Prices rose sharply over a broad front, but trading decreased.

Hong Kong Bank were up 80 cents to HK\$ 19.70, Hong Kong Land 25 cents to 7.70, Jardine 20 cents to 24.50, Swire Pacific 20 cents to 24.50, Hong Kong Electric 15 cents to 4.10, Hong Kong Telephone 10 cents to 16.70 and Hong Kong Kowloon Wharf 30 cents to 13.00.

TOKYO—Very firm in brisk trading with widespread demand for "big-capital" and leading shares. Volume 600m.

Shipyards, Steel Mills and Heavy Electricals firmed on strong demand.

Buying interest also extended to Petroleum, Chemicals and Shipbuilding.

ITALY—Unsettled in quiet trading.

Among Minings, Ussio rose 20 cents to \$28.60 following its one-for-one bonus issue.

SAF. CSR 10 cents to \$4.00 and SAF. Morris 50 cents to \$4.00. Retailers, Textiles and Building Material Suppliers turned mixed.

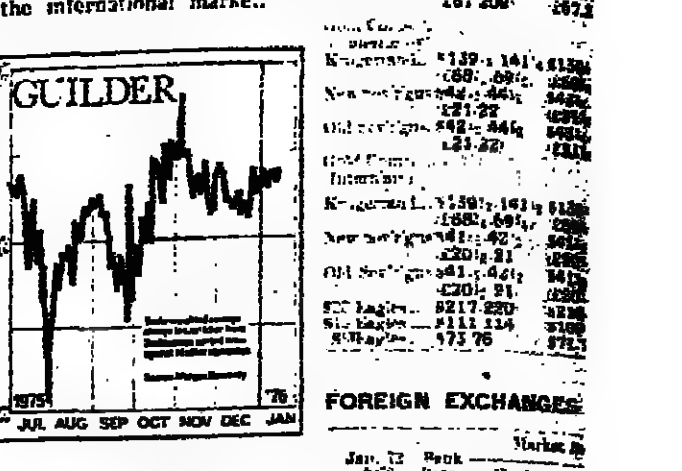
One stock was again out of favour, with Bore Rube of 7 cents at 81 cents.

Oils were weaker. Woodside Bunk shed 5 cents to \$4.15.

JORDAN—Shares were easier on general lack of interest. Financial Minings also eased although trading was fairly active.

Platinum and other Metals were firmed.

Industrials were little changed.



Indices

NEW YORK

DOW JONES AVERAGES

Close	High	Low	Open	Prev. Close
922.39	925.00	915.00	918.00	911.13
NYSE Composite	530.99	528.00	525.00	525.29
NYSE Industrial	285.00	282.00	278.00	278.00
NYSE Retail	145.00	142.00	140.00	140.00
NYSE Utility	100.00	98.00	95.00	95.00
NYSE Foreign	100.00	98.00	95.00	95.00
NYSE Bond	100.00	98.00	95.00	95.00
NYSE Energy	100.00	98.00	95.00	95.00
NYSE Health	100.00	98.00	95.00	95.00
NYSE Tech	100.00	98.00	95.00	95.00
NYSE Transp	100.00	98.00	95.00	95.00
NYSE Comm	100.00	98.00	95.00	95.00
NYSE Misc	100.00	98.00	95.00	95.00

STANDARD AND POORS

U.S. STOCK INDICES

Index	Close	High	Low	Open	Prev. Close
S&P 500	285.00	285.00	282.00	278.00	278.00
S&P Industrial	145.00	145.00	142.00	140.00	140.00
S&P Retail	72.50	72.50	70.00	68.00	68.00
S&P Utility	50.00	50.00	48.00	45.00	45.00
S&P Foreign	50.00	50.00	48.00	45.00	45.00
S&P Bond	50.00	50.00	48.00	45.00	45.00
S&P Energy	50.00	50.00	48.00	45.00	45.00
S&P Health	50.00	50.00	48.00	45.00	45.00
S&P Tech	50.00	50.00	48.00	45.00	45.00
S&P Transp	50.00	50.00	48.00	45.00	45.00
S&P Comm	50.00	50.00	48.00	45.00	45.00
S&P Misc	50.00	50.00	48.00	45.00	45.00

OTHER MARKETS

Canada mostly higher. Canadian Stock Markets were mostly higher in moderate trading yesterday.

The Industrial Share Index gained 0.45 to 177.19. Base Metals 0.10 to 75.40. Western Oils 2.62 to 204.24. Utilities 1.06 to 128.96 and Papers 1.11 to 100.08. But Golds

STOCK AND BOND YIELDS

Instrument	Yield	Price	Change
10% T.Bill	10.00	100.00	0.00
9% T.Bill	9.00	100.00	0.00
8% T.Bill	8.00	100.00	0.00
7% T.Bill	7.00	100.00	0.00
6% T.Bill	6.00	100.00	0.00
5% T.Bill	5.00	100.00	0.00
4% T.Bill	4.00	100.00	0.00
3% T.Bill	3.00	100.00	0.00
2% T.Bill	2.00	100.00	0.00
1% T.Bill	1.00	100.00	0.00
0% T.Bill	0.00	100.00	0.00

EXCHANGE CROSS-RATES

From	To	Rate	Change
US\$	UK£	2.93	+0.01
US\$	FRF	6.55	+0.02
US\$	DM	3.36	+0.01
US\$	Yen	360.00	+0.05
US\$	SwFr	2.00	+0.01
US\$	Scd	13.76	+0.02
US\$	AustS	13.76	+0.02
US\$	NZD	1.33	+0.01
US\$	A\$	1.48	+0.01
US\$	HK\$	7.80	+0.05
US\$	SGD	1.36	+0.01
US\$	INR	15.75	+0.02
US\$	JPY	360.00	+0.05

RIGHT RATES

Option	Strike	Price	Change
Call	100.00	1.00	+0.01
Call	110.00	1.10	+0.01
Call	120.00	1.20	+0.01
Call	130.00	1.30	+0.01
Call	140.00	1.40	+0.01
Call	150.00	1.50	+0.01
Call	160.00	1.60	+0.01
Call	170.00	1.70	+0.01
Call	180.00	1.80	+0.01
Call	190.00	1.90	+0.01
Call	200.00	2.00	+0.01

EUROPE

Country	Index	Close	High	Low	Open	Prev. Close
Belgium	108.78	108.78	111.81	108.00	108.00	108.00
France	70.7	70.7	70.7	70.7	70.7	70.7
Germany	72.14	72.14	72.14	72.14	72.14	72.14
Italy	22.65	22.65	22.65	22.65	22.65	22.65
Spain	40.14	40.14	40.14	40.14	40.14	40.14
Sweden	22.65	22.65	22.65	22.65	22.65	22.65
Switzerland	22.65	22.65	22.65	22.65	22.65	22.65

EURO-CURRENCY INTEREST RATES

Term	Rate	Change
3 months	10.00	0.00
6 months	10.00	0.00
9 months	10.00	0.00
12 months	10.00	0.00
18 months	10.00	0.00
24 months	10.00	0.00
36 months	10.00	0.00
48 months	10.00	0.00
60 months	10.00	0.00
72 months	10.00	0.00
84 months	10.00	0.00
96 months	10.00	0.00

OVERSEAS SHARE INFORMATION

NEW YORK

Adelphi & Sons	84	84	Crane	814	814	Johnson Control	184	184	Reno	774	774	Peru Exp. 1933	193	193
Addressing & C.	89 1/2	89 1/2	Crocker Nat.	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Air Products	78 1/2	78 1/2	Crocker Nat.	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Albany	19 1/2	19 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Albany Power	19 1/2	19 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Allied Chemicals	38	37	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Allied Chemicals	38	37	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Allied Chemicals	38	37	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933	193	193
Alma	48 1/2	48 1/2	Crane	814	814	Johnson Control	184	184	Reynolds Metals	287 1/2	287 1/2	Peru Exp. 1933		

JOHANNESBURG

Stock	Jan. 12	Jan. 9	Jan. 8	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1	Dec. 31	Dec. 30	Dec. 29	Dec. 28	Dec. 27	Dec. 26	Dec. 25	Dec. 24	Dec. 23	Dec. 22	Dec. 21	Dec. 20	Dec. 19	Dec. 18	Dec. 17	Dec. 16	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 10	Dec. 9	Dec. 8	Dec. 7	Dec. 6	Dec. 5	Dec. 4	Dec. 3	Dec. 2	Dec. 1	Nov. 30	Nov. 29	Nov. 28	Nov. 27	Nov. 26	Nov. 25	Nov. 24	Nov. 23	Nov. 22	Nov. 21	Nov. 20	Nov. 19	Nov. 18	Nov. 17	Nov. 16	Nov. 15	Nov. 14	Nov. 13	Nov. 12	Nov. 11	Nov. 10	Nov. 9	Nov. 8	Nov. 7	Nov. 6	Nov. 5	Nov. 4	Nov. 3	Nov. 2	Nov. 1	Oct. 31	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 26	Oct. 25	Oct. 24	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 18	Oct. 17	Oct. 16	Oct. 15	Oct. 14	Oct. 13	Oct. 12	Oct. 11	Oct. 10	Oct. 9	Oct. 8	Oct. 7	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Oct. 2	Oct. 1	Sept. 30	Sept. 29	Sept. 28	Sept. 27	Sept. 26	Sept. 25	Sept. 24	Sept. 23	Sept. 22	Sept. 21	Sept. 20	Sept. 19	Sept. 18	Sept. 17	Sept. 16	Sept. 15	Sept. 14	Sept. 13	Sept. 12	Sept. 11	Sept. 10	Sept. 9	Sept. 8	Sept. 7	Sept. 6	Sept. 5	Sept. 4	Sept. 3	Sept. 2	Sept. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	July 31	July 30	July 29	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19
-------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

STOCK EXCHANGE REPORT

Equity leaders ease but many good secondary gains
Index 7.2 off at 394.4 — Gilts active with gains to 1½

Account Dealing Dates
Option
First Declared Last Account
Dealings Dates Dealings Day
Dec. 29 Jan. 8 Jan. 9 Jan. 20
Jan. 12 Jan. 22 Jan. 23 Feb. 3
Jan. 26 Feb. 5 Feb. 6 Feb. 17

New time dealings may take place from 9.30 a.m. to 1.30 p.m. on the last day of the year.

Compared with last Friday's late morning session, yesterday's trading in equity markets was rather sedate. Nevertheless, there was a brisk business in official markings of 10.748 were the highest since April 24 last — with Gilts-edged securities easily the day's best feature. Despite profit-taking and some disappointment with the Wholesale Price Index for December, 8.1% still closed with rises extending to 1½, after showing gains ranging to 1½ at one stage. The Government Securities Index advanced 0.33 more to 63.15, thus making an uninterrupted rise of 4.74 over the last seven trading days.

Leading equities, however, finally succumbed to profit-taking after having led quite well in the earlier dealings during the course of a good two-way business. Firms fell extended to 8 and sometimes more, and the FT-30 share index reacted 7.2 at the close of 394.4.

In contrast, there were many good gains in secondary issues, although in quite a number of cases these reflected business transacted late last Friday. The good overall showing by equities was mirrored in the FT-100 index, which rose 1.5 to 1,187.5. The All-Share index which moved up 0.8 per cent more to 394.4, with 1975-76 peak of 197.5, the Industrial Group, also at a 1975-76 peak, rose 1.3 per cent to 188.99.

Gilts strong again
A fair volume of profit-taking did little more than check the surge forward in British Gilts, which, although ½ and occasion-

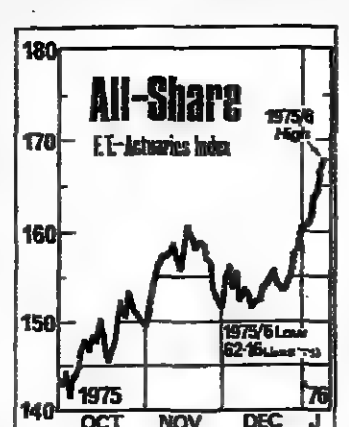
ally more below the day's highest, still closed with fresh gains extending to 1½. More detailed assessments of the new two "tap" stocks were considered highly favourable and the longer, after opening higher, immediately found renewed support which in still relatively brisk trading took the old "tap", Treasury 13½ per cent, 1987, "A", up to 87½ before a close of 87½. A rise of a point or two and seven and a-half points over the past five days. The shorts were not ignored and, helped by current interest rate trends, advanced across the board. Low-coupon issues reflected the larger gains which reflected short-term, but a more important development was demand for Treasury 9½ per cent, 1980, which edged nearer 96; this is the issue of stock to be issued this week as a short "tap".

Demand became more noticeable for investment currency and the premium rose to 114 per cent, before closing a net 11 points up at 113 per cent. Yesterday's SE conversion factor was 0.6003 (0.6041).

Banks easier
Mild disappointment with the decision of the Midland and National Westminster to only reducing their base lending rates by ½ per cent to 10½ per cent, and so coming into line with Lloyds, brought about a slight reaction in the big four banks. After improving initially to 32½, Barclays ran back in active trading to close 7 down on the day at 31½. National Westminster declined a similar amount to 26½, after 27½, while Midland gave up 5 to 25½. Lloyds were also 5 off at 25½. Standard and Chartered were active in overseas issues, touching 5½ before closing a net 8 higher at 50½. In the wake of the current boom in Gilts, Discounts started to move higher;

ahead of their respective interim statements next Monday and Wednesday, Alexander's put on 7 to 24½ and Union hardened 10 to 23½. Generally firm Hires Purchases had British Debt Services 2 better at 13½ and Wagon Finance 3 up at 40½.

Considering the hectic activity seen "after-hours" last Friday, the volume of trade in Insurance, yesterday was disappointing. Sun Alliance shed 5 to 44½ and Eagle Star went 2 lower at 12½. Among



brokers, Hogg Robinson stood out, rising 7 to 15½ on the sharply higher first-half profits. Breweries closed mixed after a good turnover. Allied, at 7½, lost 2 of last Friday's gain of 3, while Scottish and Newcastle shed a penny to 63½ in front of today's interim results. Tolemach and Cobbold, with preliminary results due to-day, hardened 2 to 32½. Elsewhere, Distillers ran back 3 to 14½, but Teacher (Distillers) was 6 to the good at 22½. Awaiting news of the discussions currently taking place with Bell Brothers of Western Australia, Wine edged forward 3 to 135½.

Buildings sported many firm spots with the aid of Press comment. RMC hardened 3 to 197½-76 peak of 40, while Newarill, at 40, put on 4 Gains of 5 were scored by IDC, 96½, and BPS Industries, 185½, while David Charles hardened 2 to 25½ as did French Kier to 17½. Armistice Shanks, still reflecting the trading statement which accompanied the rights issue proposals, edged up 3 more to 76½.

After reaching a 1975-76 peak of 357½, ICI returned to Friday's closing level of 33½. Elsewhere in Chemicals, Coates Bros. "A" finished 4 better at 53½ and Fisons closed 5 to the good at 397½.

Leading Stores closed with mixed movements following Press suggestions that the high level of trade achieved so far in the January sales seems to be slowing down. Marks and Spencer declined 2 to 160½, while CDS, 97½, and Burton "A", 30½, shed a penny apiece. "Gusseys" "A" eased 3 to 21½, but House of Fraser ended 2 harder at 81½ and Hedges Stores 2½ better at 33½. Secondary issues sported some good gains. Weston Pharmaceuticals improved 2½ more to 47½ in active trading, while H. J. Smith, at 47½, and A. G. Stanley, 56½, both closed around 8 better. Henderson-Keston responded to Press comment with a rise of 4 to 42½, while similar improvements were recorded by Amalgamated "A", 39½, and Wilkinson Warburton, 48½. Courts Bros. "A" were raised 8 to 86½. Amber Day were quoted ex the "right" issue price of 100, while the new all-paid shares opened at 100, closed at 100 premium following a fair turnover. Strong and Fisher continued firmly in Shoes, rising 4 more to 94½ for a two-day rise of 10.

After last Friday's late advance, the Electrical leaders improved

fresh before reacting to close at the day's lowest. Messrs. 4 cheaper at 15½, while GEC were a penny off at 150½, after 150½, and EMI 2 easier at 241½, after 246½. BICC contrasted with a rise of 2 to 129½, after 129½. Among firm secondary issues, B. Wigham were raised 9 to 187½, BSC hardened 3 to 57½ following Press comment, while Phillips Lamp picked up 16 more at 930½ on overseas advice. Unitech were also notably firm at 110½, up 8.

Hawker, 378½, reacted to a decrease in only 4 of Friday's rise of 12, but Tube Investments and GKN were reactionary, both falling 6 to respective closes of 320½ and 272½. Engineers otherwise presented widespread firmness, with gains extending to 110½, while Press comment assisted Lake and Elliot, 6 higher at 73½, and Clarke Chapman, 5 up at 75½. For a similar reason, B. Wigham, 11½, and P. H. 11½, Triple Foundries, 39½, and W. H. Hughes, 124½. Hall Thermotank opened at 84½, but closed only 2 higher on balance at 86½. Shipbuilders turned firmer, too. Vesper gained 2 to 76½, following Press comment, while T. W. 12½, the preliminary results. Yarrow eased 3 to 124½ following lower annual profits.

Foods spent a quieter session. British Sugar were dull at 33½, down 7, the preliminary results are expected January 23. Small buying in a thin market left Joseph Stocks 12 higher at 87½, while A. Fisher, 12½, and Carr-Milling, 39½, put on 5 and 6 respectively following Press comment. A. G. B. featured late with a rise of 10 to 155½ on the preliminary figures.

Hotels and Caterers had contrasting movements in J. Lyons "A" 3 easier at 150½, and Ladbrokes, 4 higher at 107½. Savoy Hotel "A" finished a penny higher at 20½ following news of the sale and leaseback deal involving the company's Clarendon House property.

After last Friday's late show of strength, the miscellaneous industrial leaders encountered another good two-way trade in the morning session. However, profit-takers gained the upper hand in the afternoon and prices tended to close lower. But, near the day's lowest, Bovers were the biggest casualty at 14½, down 6, while Turner and Newall declined 3 to 15½ and Bechtel "A" shed 2 to 35½. Bowers to 182½. Elsewhere, a much firmer trend was estab-

lished in second-line issues. Favourable week-end Press comment encouraged some good gains such as the one of 5 to 219½ in De La Rue. Giltspur improved 3 to 41½ and improvements of around 2 were seen in Burnside Investments, 11½, and Barwick, Tempo 30½. Bagnall came to 60½. Hoover "A" rose 10 to 335½, and Far-eastern advised left Jardine Matheson 12 to the good at 412½. Of the few spot sales, course Press comment ahead of Thursday's results left English China Clay 2½ off at 70½. The chairman's profits warning depressed Allied Polymer, 3 down at 70½, while the first-half profit contraction brought about a small fall to 9½ in Empress Services.

Les Service featured Motors and Distributors, closing 3½ higher at 81½. Plaxton (Scottish) rose 2 to 59½ while Turner Machinery, turning closed a penny firmer at 4 1975-76 peak of 69½ following the preliminary figures. Of the few spot sales, course Press comment ahead of Thursday's results left English China Clay 2½ off at 70½. The chairman's profits warning depressed Allied Polymer, 3 down at 70½, while the first-half profit contraction brought about a small fall to 9½ in Empress Services.

Properties were just as varied as other markets, but it was only in afternoon dealings that sellers of the leaders finally gained the edge. Land Securities eased 3 to 195½, while MEPC East 4 to 94½; the latter's executive board 4 to 144½. An active and firm market last week, Lamp Securities were again wanted following Press comment, rising 9 to a 1975-76 high of 126½.

Following quite an active opening session, business in Shippings petered out later and prices closed mixed. P. & O. Deferred cheapened 2 to 194½. Courtauld closed 2 easier at 160½ in Textiles. Buyers came for Allied, which rose 3 to 78½. An active and firm market last week, Lamp Securities were again wanted following Press comment, rising 9 to a 1975-76 high of 126½.

Guthrie chased up an active opening session, business in Shippings petered out later and prices closed mixed. P. & O. Deferred cheapened 2 to 194½. Courtauld closed 2 easier at 160½ in Textiles. Buyers came for Allied, which rose 3 to 78½. An active and firm market last week, Lamp Securities were again wanted following Press comment, rising 9 to a 1975-76 high of 126½.

Mines lack direction
Risen and falls were about evenly balanced in rather quiet mining share markets. Gilts

FINANCIAL TIMES STOCK INDICES

	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 8	Jan. 7
Government Secs.	63.15	62.82	62.09	61.89	61.01	60.46
Fixed Interest	62.18	61.33	61.10	60.71	60.16	59.61
Industrial Ordins.	324.6	401.6	390.5	388.4	388.4	381.6
Gold Mines	223.6	227.9	232.9	244.6	244.6	244.2
Govt. Secs. Yield	5.54	5.26	5.09	5.40	5.47	5.50
Mining & V.M. Index	14.89	14.88	15.05	15.08	15.29	15.35
P. & O. Share	9.85	9.79	9.75	9.73	9.62	9.62
Discounts marked	10.748	8.718	8.149	8.789	9.969	7.117
Equity turnover in £m.	94.48	91.54	105.66	90.49	62.28	62.28
Equity turnover in m.	21.479	21.703	21.414	18.036	19.311	19.311

10 a.m. 270.2, 11 a.m. 421.8, Noon 483.3, 1 p.m. 386.7, 2 p.m. 384.3, 3 p.m. 387.3.
Based on 22 per cent corporate tax, 10.10.75.
Mines 12.5.75, SE Activity July-Dec. 1975.

HIGHS AND LOWS

	High	Low	High	Low	High	Low
Govt. Secs.	63.15	62.18	62.82	61.33	61.10	60.71
Fixed Int.	62.18	61.33	61.10	60.71	60.16	59.61
Ind. Ordins.	324.6	401.6	390.5	388.4	388.4	381.6
Gold Mines	223.6	227.9	232.9	244.6	244.6	244.2

ment premium influences, closing 1 higher at 131½, while Burnham hardened 1 to 23½ following late news of further Government assistance. Secondary issues occasionally improved, but overruns became mixed. Woodside-Burnham reacted 3 to 144½, but Pan Ocean rose 30 to 800½.

Since Darby featured Overseas Traders, rising 6 to 111½ following Press comment on their expansion plans. Favourable week-end Press comment stimulated a fair amount of interest in investment trusts. Particularly favourable results, but Gordon and Gatch, which rose 12 to 117½, while Borden and Southern gained 5 to 246½ and Rotherhead 7 to 222½. Ahead of their respective interim statements on Thursday and Friday, BGT Deferred hardened 4 to 98½ and G. T. Japan put on 7 to 114½. An active and firm market last week, Lamp Securities were again wanted following Press comment, rising 9 to a 1975-76 high of 126½.

Following quite an active opening session, business in Shippings petered out later and prices closed mixed. P. & O. Deferred cheapened 2 to 194½. Courtauld closed 2 easier at 160½ in Textiles. Buyers came for Allied, which rose 3 to 78½. An active and firm market last week, Lamp Securities were again wanted following Press comment, rising 9 to a 1975-76 high of 126½.

Guthrie chased up an active opening session, business in Shippings petered out later and prices closed mixed. P. & O. Deferred cheapened 2 to 194½. Courtauld closed 2 easier at 160½ in Textiles. Buyers came for Allied, which rose 3 to 78½. An active and firm market last week, Lamp Securities were again wanted following Press comment, rising 9 to a 1975-76 high of 126½.

Guthrie chased up an active opening session, business in Shippings petered out later and prices closed mixed. P. & O. Deferred cheapened 2 to 194½. Courtauld closed 2 easier at 160½ in Textiles. Buyers came for Allied, which rose 3 to 78½. An active and firm market last week, Lamp Securities were again wanted following Press comment, rising 9 to a 1975-76 high of 126½.

Mines lack direction
Risen and falls were about evenly balanced in rather quiet mining share markets. Gilts

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS GROUPS & SUB-SECTIONS		Monday, Jan. 12, 1976										Friday Jan. 9		Thurs. Jan. 8		Wed. Jan. 7		Tuesday Jan. 6		Year ago approx.		Highs and Lows Index			
		Index No.		Chg. Pt. %		Vol. Div. Yield %		E.P.R. Ratio met. Corp.		E.P. Ratio non- Corp.		Index No.		Index No.		Index No.		Index No.		1975-76		Recent Compilation			
		Figures in parentheses show number of stocks per section.		Tax 20%		Tax 20%		Tax 20%		Tax 20%		Tax 20%		Tax 20%		Tax 20%		Tax 20%		Tax 20%		High	Low	High	Low
1	CAPITAL GOODS (178)	150.37	+1.4	15.34	5.66	9.81	9.81	148.30	147.00	146.78	144.18	56.86	130.37	51.76	306.57	50.71	131.16	48.17	302.82	49.37	132.00	49.37	132.00	49.37	
2	Building Materials (29)	148.00	+1.5	11.87	5.87	15.10	13.09	146.84	146.02	144.55	141.09	49.78	126.00	47.74	308.15	47.45	127.00	46.78	305.12	46.78	127.00	46.78	127.00	46.78	
3	Contracting, Construction (23)	287.85	+1.2	13.86	5.75	11.15	11.15	284.81	285.59	288.25	246.86	83.69	265.59	76.74	529.85	71.45	266.79	74.58	527.41	74.58	266.79	74.58	266.79	74.58	
4	Electricals (16)	264.05	+1.6	16.54	4.51	8.85	8.85	260.26	260.94	267.45	230.60	111.83	240.05	98.49	530.04	84.71	240.05	98.49	530.04	84.71	240.05	98.49	240.05	98.49	
5	Engineering (Heavy) (13)	170.18	+1.5	17.96	6.80	6.63	6.63	167.99	167.13	166.17	163.90	69.42	170.18	61.76	305.12	62.59	170.18	61.76	305.12	62.59	170.18	61.76	170.18	61.76	
6	Engineering (General) (63)	180.89	+1.3	18.79	6.89	8.93	8.92	178.16	178.85	177.85	185.93	49.58	180.89	65.78	527.41	61.76	180.89	65.78	527.41	61.76	180.89	65.78	180.89	65.78	
7	Machine and Other Tools (8)	92.99	+1.6	16.05	8.03	11.85	11.85	91.63	91.83	91.94	91.41	21.30	92.99	80.11	156.70	19.36	92.99	80.11	156.70	19.36	92.99	80.11	92.99	80.11	
8	Miscellaneous (25)	187.68	+1.5	16.38	6.59	9.50	9.50	185.78	185.59	184.58	182.92	82.92	187.68	49.66	177.41	49.65	187.68	49.66	177.41	49.65	187.68	49.66	187.68	49.66	
9	CONSUMER GOODS (DURABLE) (56)	127.88	+1.8	14.44	4.91	10.44	10.44	125.30	125.13	124.37	128.51	42.58	127.88	58.39	529.78	58.39	127.88	58.39	529.78	58.39	127.88	58.39	127.88	58.39	
10	Electronics, Radio TV etc. (15)	146.75	+2.4	12.75	5.97	11.72	11.70	142.85	143.12	142.55	140.64	48.54	146.75	44.38	327.41	44.38	146.75	44.38	327.41	44.38	146.75	44.38	146.75	44.38	
11	Household Goods (14)	178.33	+2.1	17.54	5.97	10.77	10.74	174.88	175.98	176.83	173.04	60.38	178.33	64.53	343.32	64.53	178.33	64.53	343.32	64.53	178.33	64.53	178.33	64.53	
12	Motors and Distributors (27)	73.15	+0.7	17.59	5.82	8.73	8.73	71.67	71.74	71.06	70.05	22.85	73.15	18.91	170.56	18.91	73.15	18.91	170.56	18.91	73.15	18.91	73.15	18.91	
13	CONSUMER GOODS (NON-DURABLE) (168)	158.90	+0.9	13.59	6.19	11.77	11.66	157.48	158.51	156.31	153.90	66.87	158.90	61.98	529.68	61.41	158.90	61.98	529.68	61.41	158.90	61.98	158.90	61.98	
14	Breweries (15)	172.92	+1.2	18.30	6.18	12.28	12.22	170.02	169.54	168.90	168.58	49.81	172.92	61.98	529.68	61.41	172.92	61.98	529.68	61.41	172.92	61.98	172.92	61.98	
15	Wines and Spirits (7)	191.35	+0.3	10.21	5.56	14.86	14.86	190.88	192.08	190.85	178.41	51.92	191.35	50.44	327.41	78.51	191.35	50.44	327.41	78.51	191.35	50.44	191.35	50.44	
16	Entertainment, Catering (16)	167.43	+2.0	16.99	6.16	14.56	14.56	165.65	165.51	165.95	168.46	60.98	167.43	58.39	529.78	58.39	167.43	58.39	529.78	58.39	167.43	58.39	167.43	58.39	
17	Food Manufacturing (22)	169.48	+0.7	18.49	6.87	11.80	11.13	168.35	168.63	168.10	165.21	70.57	169.48	61.98	529.68	61.41	169.48	61.98	529.68	61.41	169.48	61.98	169.48	61.98	
18	Food Retailing (16)	150.05	+1.7	10.58	4.81	13.76	13.76	147.81	147.83	148.15	144.94	58.31	150.05	50.44	327.41	78.51	150.05	50.44	327.41	78.51	150.05	50.44	150.05	50.44	
19	Newspapers, Publishing (15)	171.61	+1.8	15.31	5.89	11.25	11.63	166.59	167.34	167.34	164.31	50.27	171.61	58.39	529.78	58.39	171.61	58.39	529.78	58.39	171.61	58.39	171.61	58.39	
20	Packaging and Paper (13)	110.21	+0.4	20.08	6.93	7.43	7.44	109.79	108.13	107.59	106.51	47.99	110.21	61.98	529.68	61.41	110.21	61.98	529.68	61.41	110.21	61.98	110.21	61.98	
21	Stores (33)	153.71	-0.4	11.59	6.06	18.55	18.55	154.41	153.78	153.10	156.10	61.01	154.41	58.39	529.78	58.39	154.41	58.39	529.78	58.39	154.41	58.39	154.41	58.39	
22	Textiles (22)	176.39	+1.7	12.51	6.13	9.55	9.94	174.22	170.91	167.10	158.96	66.91	176.39	61.91	253.78	68.65	176.39	61.91	253.78	68.65	176.39	61.91	176.39	61.91	
23	Tobacco (3)	230.60	-2.5	18.04	8.25	10.12	10.12	225.16	225.33	223.95	221.34	116.66	230.60	58.39	529.78	58.39	230.60	58.39	529.78	58.39	230.60	58.39	230.60	58.39	
24	Toys and Games (6)	61.18	-0.9	25.58	6.49	5.98	5.98	61.75	58.60	62.08	62.28	22.13	61.18	61.98	529.68	61.41	61.18	61.98	529.68	61.41	61.18	61.98	61.18	61.98	
OTHER GROUPS (94)																									
25	Chemicals (24)	208.29	+1.9	13.44	4.52	10.43	10.43	204.40	202.82	205.01	199.45	55.58	208.29	75.14	308.29	71.90	208.29	75.14	308.29	71.90	208.29	75.14	208.29	75.14	
26	Office Equipment (10)	93.87	+1.9	14.80	5.58	9.87	9.87	92.08	90.83	89.40	89.29	55.63	93.87	61.98	529.68	61.41	93.87	61.98	529.68	61.41	93.87	61.98	93.87	61.98	
27	Shipping (12)	276.30	+1.1	20.05	6.45	8.39	8.14	272.29	271.97	271.98	270.10	208.90	276.30	184.19	345.10	90.80	276.30	184.19	345.10	90.80	276.30	184.19	276.30	184.19	
28	Miscellaneous (48)	164.47	+1.6	14.30	6.48	10.16	10.16	161.07	160.77	160.16	157.98	67.85	164.47	60.39	258.83	60.39	164.47	60.39	258.83	60.39	164.47	60.39	164.47	60.39	
INDUSTRIAL GROUP (466)		158.99	+1.3	16.76	5.47	10.65	10.80	156.98	156.08	155.57	153.55	66.19	158.99	56.19	320.17	59.01	158.99	56.19	320.17	59.01	158.99	56.19	158.99	56.19	
OILS (4)		344.02	-3.2	14.63	4.58	7.84	6.94	337.71	340.00	340.94	340.81	132.78	341.71	106.83	431.96	87.33	341.71	106.83	431.96	87.33	341.71	106.83	341.71	106.83	
29	500 SHARE INDEX	174.47	+0.7	15.99	5.55	10.06	9.79	173.19	171.45	170.95	168.51	71.03	174.47	62.49	327.41	62.49	174.47	62.49	327.41	62.49	174.47	62.49	174.47	62.49	
30	FINANCIAL GROUP (100)	148.11	+0.6	14.87	4.87	—	—	144.30	142.18	141.47	138.68	62.71	148.11	56.50	341.41	55.89	148.11	56.50	341.41	55.89	148.11	56.50	148.11	56.50	
31	Banks (6)	172.17	-1.8	15.03	4.95	9.08	9.08	172.30	172.71	170.37	168.49	61.91	172.17	68.56	308.33	68.44	172.17	68.56	308.33	68.44	172.17	68.56	172.17	68.56	
32	Discount Houses (10)	100.13	+0.4	—	—	—	—	100.81	101.19	100.42	177.16	99.23	100.13	86.15	279.13	81.40	100.13	86.15	279.13	81.40	100.13	86.15	100.13	86.15	
33	Life Purchases (5)	123.86	+2.8	—	—	—	—	123.37	117.06	113.10	108.94	42.96	123.86	61.98	529.68	61.41	123.86	61.98	529.68	61.41	123.86	61.98	123.86	61.98	
34	Insurance (Life) (8)	185.62	+1.9	—	—	—	—	185.31	122.49	122.78	120.74	51.90	185.62	61.98	529.68	61.41	185.62	61.98	529.68	61.41	185.62	61.98	185.62	61.98	
35	Insurance (Composite) (7)	112.38	+1.5	—	—	—	—	110.70	108.96	108.91	106.02	42.96	112.38	61.98	529.68	61.41	112.38	61.98	529.68	61.41	112.38	61.98	112.38	61.98	
36	Insurance (Brokers) (9)	125.98	+1.3	9.48	6.06	15.96	15.96	123.60	120.51	120.95	118.16	73.39	125.98	61.98	529.68	61.41	125.98	61.98	529.68	61.41	125.98	61.98	125.98	61.98	
37	Merchant Banks (17)	91.39	+2.2	—	—	—	—	88.53	88.49	88.56	87.16	38.96	91.39	61.98	529.68	61.41	91.39	61.98	529.68	61.41	91.39	61.98	91.39	61.98	
38	Property (32)	192.42	+1.5	25.59	5.35	72.73	67.97	189.68	188.93	187.93	181.28	93.80	192.42	58.19	357.40	56.01	192.42	58.19	357.40	56.01	192.42	58.19	192.42	58.19	
39	Miscellaneous (5)	80.49	-1.4	1.27	5.35	10.33	10.34	80.78	80.74	80.87	82.78	45.85	80.49	74.76	304.13	72.39	80.49	74.76	304.13	72.39	80.49	74.76	80.49	74.76	
40	Investment Funds (50)	155.73	+0.5	2.74	3.89	36.52	36.51	179.49	178.49	176.14	171.70	82.80	155.73	75.44	246.79	71.95	155.73	75.44	246.79	71.95	155.73	75.44	155.73	75.44	
41	ALL-SHARE INDEX (650)	167.85	+0.8	—	—	—	—	166.29	164.54	163.96	161.15	69.44	167.85	62.16	228.11	61.82	167.85	62.16	228.11	61.82	167.85	62.16	167.85	62.16	

NOTELS—Contd.

[illegible][illegible][illegible][illegible]

37	17	27	37	47	57	67	77	87	97	07
38	18	28	38	48	58	68	78	88	98	08
39	19	29	39	49	59	69	79	89	99	09
40	20	30	40	50	60	70	80	90	00	10
41	21	31	41	51	61	71	81	91	01	11
42	22	32	42	52	62	72	82	92	02	12
43	23	33	43	53	63	73	83	93	03	13
44	24	34	44	54	64	74	84	94	04	14
45	25	35	45	55	65	75	85	95	05	15
46	26	36	46	56	66	76	86	96	06	16
47	27	37	47	57	67	77	87	97	07	17
48	28	38	48	58	68	78	88	98	08	18
49	29	39	49	59	69	79	89	99	09	19
50	30	40	50	60	70	80	90	00	10	20
51	31	41	51	61	71	81	91	01	11	21
52	32	42	52	62	72	82	92	02	12	22
53	33	43	53	63	73	83	93	03	13	23
54	34	44	54	64	74	84	94	04	14	24
55	35	45	55	65	75	85	95	05	15	25
56	36	46	56	66	76	86	96	06	16	26
57	37	47	57	67	77	87	97	07	17	27
58	38	48	58	68	78	88	98	08	18	28
59	39	49	59	69	79	89	99	09	19	29
60	40	50	60	70	80	90	00	10	20	30
61	41	51	61	71	81	91	01	11	21	31
62	42	52	62	72	82	92	02	12	22	32
63	43	53	63	73	83	93	03	13	23	33
64	44	54	64	74	84	94	04	14	24	34
65	45	55	65	75	85	95	05	15	25	35
66	46	56	66	76	86	96	06	16	26	36
67	47	57	67	77	87	97	07	17	27	37
68	48	58	68	78	88	98	08	18	28	38
69	49	59	69	79	89	99	09	19	29	39
70	50	60	70	80	90	00	10	20	30	40
71	51	61	71	81	91	01	11	21	31	41
72	52	62	72	82	92	02	12	22	32	42
73	53	63	73	83	93	03	13	23	33	43
74	54	64	74	84	94	04	14	24	34	44
75	55	65	75	85	95	05	15	25	35	45
76	56	66	76	86	96	06	16	26	36	46
77	57	67	77	87	97	07	17	27	37	47
78	58	68	78	88	98	08	18	28	38	48
79	59	69	79	89	99	09	19	29	39	49
80	60	70	80	90	00	10	20	30	40	50
81	61	71	81	91	01	11	21	31	41	51
82	62	72	82	92	02	12	22	32	42	52
83	63	73	83	93	03	13	23	33	43	53
84	64	74	84	94	04	14	24	34	44	54
85	65	75	85	95	05	15	25	35	45	55
86	66	76	86	96	06	16	26	36	46	56
87	67	77	87	97	07	17	27	37	47	57
88	68	78	88	98	08	18	28	38	48	58
89	69	79	89	99	09	19	29	39	49	59
90	70	80	90	00	10	20	30	40	50	60
91	71	81	91	01	11	21	31	41	51	61
92	72	82	92	02	12	22	32	42	52	62
93	73	83	93	03	13	23	33	43	53	63
94	74	84	94	04	14	24	34	44	54	64
95	75	85	95	05	15	25	35	45	55	65
96	76	86	96	06	16	26	36	46	56	66
97	77	87	97	07	17	27	37	47	57	67
98	78	88	98	08	18	28	38	48	58	68
99	79	89	99	09	19	29	39	49	59	69
00	80	90	00	10	20	30	40	50	60	70
01	81	91	01	11	21	31	41	51	61	71
02	82	92	02	12	22	32	42	52	62	72
03	83	93	03	13	23	33	43	53	63	73
04	84	94	04	14	24	34	44	54	64	74
05	85	95	05	15	25	35	45	55	65	75
06	86	96	06	16	26	36	46	56	66	76
07	87	97	07	17	27	37	47	57	67	77
08	88	98	08	18	28	38	48	58	68	78
09	89	99	09	19	29	39	49	59	69	79
10	90	00	10	20	30	40	50	60	70	80
11	91	01	11	21	31	41	51	61	71	81
12	92	02	12	22	32	42	52	62	72	82
13	93	03	13	23	33	43	53	63	73	83
14	94	04	14	24	34	44	54	64	74	84
15	95	05	15	25	35	45	55	65	75	85
16	96	06	16	26	36	46	56	66	76	86
17	97	07	17	27	37	47	57	67	77	87
18	98	08	18	28	38	48	58	68	78	88
19	99	09	19	29	39	49	59	69	79	89
20	00	10	20	30	40	50	60	70	80	90
21	01	11	21	31	41	51	61	71	81	91
22	02	12	22	32	42	52	62	72	82	92
23	03	13	23	33	43	53	63	73	83	93
24	04	14	24	34	44	54	64	74	84	94
25	05	15	25	35	45	55	65	75	85	95
26	06	16	26	36	46	56	66	76	86	96
27	07	17	27	37	47	57	67	77	87	97
28	08	18	28	38	48	58	68	78	88	98
29	09	19	29	39	49	59	69	79	89	99
30	10	20	30	40	50	60	70	80	90	00
31	11	21	31	41	51	61	71	81	91	01
32	12	22	32	42	52	62	72	82	92	02
33	13	23	33	43	53	63	73	83	93	03
34	14	24	34	44	54	64	74	84	94	04
35	15	25	35	45	55	65	75	85	95	05
36	16	26	36	46	56	66	76	86	96	06
37	17	27	37	47	57	67	77	87	97	07
38	18	28	38	48	58	68	78	88	98	08
39	19	29	39	49	59	69	79	89	99	09
40	20	30	40	50	60	70	80	90	00	10
41	21	31	41	51	61	71	81	91	01	11
42	22	32	42	52	62	72	82	92	02	12
43	23	33	43	53	63	73	83	93	03	13
44	24	34	44	54	64	74	84	94	04	14
45	25	35	45	55	65	75	85	95	05	15
46	26	36	46	56	66	76	86	96	06	16
47	27	37	47	57	67	77	87	97	07	17
48	28	38	48	58	68	78	88	98	08	18
49	29	39	49	59	69	79	89	99	09	19
50	30	40	50	60	70	80	90	00	10	20
51	31	41	51	61	71	81	91	01	11	21
52	32	42	52	62	72	82	92	02	12	22
53	33	43	53	63	73	83	93	03	13	23
54	34	44	54	64	74	84	94	04	14	24
55	35	45	55	65	75	85	95	05	15	25
56	36	46	56	66	76	86	96	06	16	26
57	37	47	57	67	77	87	97	07	17	27
58	38	48	58	68	78	88	98	08	18	28
59	39	49	59	69	79	89	99	09	19	29
60	40	50	60	70	80	90	00	10	20	30
61	41	51	61	71	81	91	01	11	21	31
62	42	52	62	72	82	92	02	12	22	32
63	43	53	63	73	83	93	03	13	23	33
64	44	54	64	74	84	94	04	14	24	34
65	45	55	65	75	85	95	05	15	25	35
66	46	56	66	76	86	96	06	16	26	36
67	47	57	67	77	87	97	07	17	27	37
68	48	58	68	78	88	98	08	18	28	38
69	49	59	69	79	89	99	09	19	29	39
70	50	60	70	80	90	00	10	20	30	40
71	51	61	71	81	91	01	11	21	31	41
72	52	62	72	82	92	02	12	22	32	42
73	53	63	73	83	93	03	13	23	33	43
74	54	64	74	84	94	04	14	24	34	44
75	55	65	75	85	95	05	15	25	35	45
76	56	66	76	86	96	06	16	26	36	46
77	57	67	77	87	97	07	17	27	37	47
78	58	68	78	88	98	08	18	28	38	48
79	59	69	79	89	99	09	19	29	39	49
80	60	70	80	90	00	10	20	30	40	50
81	61	71	81	91	01	11	21	31	41	51
82	62	72	82	92	02	12	22	32	42	52
83	63	73	83	93	03	13	23	33	43	53
84	64	74	84	94	04	14	24	34	44	54
85	65	75	85	95	05	15	25	35	45	55
86	66	76	86	96	06	16	26	36	46	56
87	67	77	87	97	07	17	27	37	47	57
88	68	78	88	98	08	18	28	38	48	58
89	69	79	89	99	09	19	29	39	49</	

[illegible][illegible][illegible]

652 من الأصل

Abstract

"Recent Issues" and "Rights" Page 1

THE LEX COLUMN

Assessing the new tap

Index fell 7.2 to 394.4

Although equities could not hold Friday's late gains yesterday, gilt-edged remained firm and comfortably absorbed a good deal of profit taking. The FT Government Securities Index has shown gains for 17 consecutive trading sessions. What is now tantalising the market is that any further strength could produce a repeat performance of the near sell-out of the £750m Treasury 13 1/2 per cent 1987 issue on July 17 last year. At 96 the new medium long term Treasury 13 per cent 1990 (subscription Thursday) yields 13.64 per cent to redemption, only 0.12 points less than Treasury 12 1/2 per cent 1982, while the 13 1/2 per cent loan yields scarcely more.

Such a flat yield curve is unusual, and funds could be tempted to switch both shorter and longer into the new tap. All the same, dealers are somewhat fearful of the consequences of a sell-out given the experience of July. Initial subscribers to that first tranche of Treasury 13 1/2 per cent were always showing a loss until last Friday night. But in contrast to July the worldwide interest rate background remains good. Several of the clearing banks would have cut their base rates by more than half a point yesterday if very short money market rates had not firmed. There were signs of some sizeable tax payments in a tax season which is particularly unpredictable given that the old freedom to spread payments over January and February has now been ended by the imposition of an interest rate penalty (at 9 per cent, not tax deductible) after January 1.

Eurobonds

Experience in the Eurobond market so far this year has surprised even the most optimistic of issue managers. Last year closed with a record \$680m to \$700m of new issues (the exact amount depends on various definitions of a "Eurobond"). So far this year, close on \$500m of issues have been placed or are in course of being placed in the dollar sector of the market alone. Coupons have come down—the 8 1/2 per cent indicated on Norway's \$100m issue announced last night is believed to be the lowest for a matter of years—and almost every issue has been increased in size. This has been achieved apparently without any weakening in demand for bonds in the secondary market.

Burmah

The news that the Government is making a \$40m advance payment on Burmah's Niman stake may be interpreted in various ways. The deal seems to be a forced sale and that some kind of agreement is in view. Yet if that were imminent, an advance payment would hardly be necessary unless Burmah's liquidity was under severe strain. The tax profits to \$5.4m.

explanation lies some between these extremes. Government cannot afford delay in the North Sea. This is approaching its most stage with the scheduled to be floated summer.

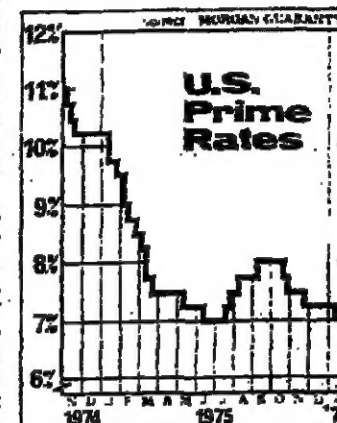
Hogg Robinson

Hogg Robinson has its interim profits for 1975 at \$2.02m, and is forecast a "significant" increase. Full-year total—confirmed buoyant immediate—recently reported by 1 and C. E. Heath. Income may have around a quarter helped depreciation of sterling much greater than of 1 from the underperformance market, and the expense also improved. This too should be maintained current half annual figures (the preliminary figure reflect the impact on writing commissions downward in the account for 1975. Over tax profits should be \$5.5m, against \$4.8m.

The share, rose 7p to a new 1975-76 high where the prospectus under 12 is below. This is in contrast to the dull performance by the sector generally as the has become a preoccupation the possibility of a slow profits growth during the absence of a further fall in the sterling. The main point of concern tightening in world city, including London, more difficult to plan. But the rate of of broking income industry is not generally to fall below 15 per.

Yarrow

Profits at Yarrow builders' totalled £5 1974-75, including £100,000 of construction and its net assets top. Yet the maximum comp under the present situation terms seems to \$4.6m. There is no improvement in this inadequate payment, but capitalisation of just have to rely on any cessations. After all, to holders' funds now around £14m, and the tax profits to \$5.4m.



thing of a seasonal element in the easier trend in interest rates. In the question of maturities, at least, borrowers still have a lot of ground to win back from investors: although there are increasing signs of maturities stretching out beyond the five year period which investors seem to like most, there is still a big difference between the maximum ten-year maturities of today and the 15-year norm of three years ago. Yet the present strength of the market has been building up steadily over the whole of the past year.

The new: that the Government is making a \$40m advance payment on Burmah's Niman stake may be interpreted in various ways. The deal seems to be a forced sale and that some kind of agreement is in view. Yet if that were imminent, an advance payment would hardly be necessary unless Burmah's liquidity was under severe strain. The tax profits to \$5.4m.

Speed (spēd)

Speed (spēd) Rapidity of movement, rate of progress. A vital word Standard Chartered Bank.

If your business is overseas, working through a bank without its international network can waste valuable time and cost you more. Standard Chartered Bank has a world-wide network which avc these problems. We have our own people working in our 1500 Gr branches and offices in 60 countries. We offer speedy transactions: fast communication of up-to-date local information. It's our busin to gauge the industrial climate, the changing political scene, h knowledge of local tastes and changing trends. They could affect y business. Talk to Standard Chartered. Ring Eric Bower, our Business Development Manager, on 01-7500 Extension 2313.



Standard Chartered Bank Limited
 helps you throughout the world
 Head Office: 10 Clements Lane, London EC4N 7AB • Assets exceed £5,300 million

Registered at the Post Office. Printed by St. Clements Press Ltd. for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4N 3DF. V G M

Left-wingers shelve 'cuts' document

BY PHILIP RAWSTORNE

LEFT-WING members of Labour's Home Policy Committee last night succeeded in shelving a party research document which gives tacit support to Government expenditure cuts. The document is to be "left on the table" until further research papers analysing specific areas of Government spending have been prepared. Attempts by Mr. Frank Allaun, one of the Left-wing members of the committee, to delete parts of the document supporting cuts on public spending were checked by Mr. Anthony Wedgwood Benn, the committee chairman.

"If you put a body in the garage you don't go in and start amputating bits of limbs," said Mr. Wedgwood Benn. Two other Left-wingers, Mr. Ian Mikardo and Mrs. Judith Hart, joined in the attacks on the document's analysis, which concluded with a warning to party's policy-makers that Labour's election programme could not be fully implemented without increases of nearly 10 per cent in all rates of taxation.

Realism

Right-wing members of the committee, who had privately welcomed the document as evidence of a growing realism within the party about the limitations imposed on the Government by the economic situation, had to accept that there was no hope of securing approval for the report.

They agreed to shelve the paper until further research documents had been prepared on fields of public expenditure. The document considered by the committee states that it is essential to put all the party's expenditure proposals in the

balance and to give an overall sense of priorities. "If we fail to do this," it says, "there will be a danger that our policy statements will lack coherence and, indeed, lack credibility." It adds: "If we were simply to insert into the programme all the expenditure proposals which have received the endorsement of conference, with no indication of their relative priority, we should be faced with a truly massive increase in overall public expenditure."

Strain

"If, because of increases in taxation, there were to be no improvement in real take-home pay, even for the lower-paid, for a further four years, this could put intolerable strains upon the social contract."

The Home Policy Committee also approved a resolution proposing that:

1—The Government should make more money available for council housing (but not at the expense of current housing expenditure).
 2—Building societies should be asked to make 10 per cent of their current lending rate available to the Department of the Environment for transmission to local authorities where the need was greatest. The rate of interest to the Department on these loans should be reasonable—not more than 11 per cent in present circumstances.
 3—There should be a general inquiry by the Government into the role of the building societies. (The committee is seeking a general study of all financial institutions including banks and insurance companies.)
 The resolution will now go forward to the full National Executive at its next meeting.

Banks study aid for Greek shipping group

BY STEWART FLEMING

SOME 30 European and U.S. banks who are owed about \$300m. by the Greek Colocotronis shipping group are studying the terms of agreements designed to see the company through a liquidity crisis brought about by some of its commitments in the depressed tanker market.

The agreements are understood to contain proposals for a moratorium on the group's repayment of principal due to some of the banks. It is believed, however, that in general the banks have not moved to the point where they are considering waiving interest payments—a critical psychological step for bank lending to the shipping market.

The directors of the company, built up by Mr. Minas Colocotronis, broke their silence yesterday to announce that the terms of the support proposals involving the "restructuring" of the group's obligations had been worked out with its principal bankers.

"Facilities will be made available to ensure continued performance of the group's charter and trading obligations," they said.

The terms of the proposals which the banks are now studying are complex and vary among the banking syndicates.

There were suggestions yesterday that attempts would be made

to bring the differing terms of the lending groups more closely into line.

The most commonly presented view is that the Colocotronis group has run into financial difficulty because of its commitment to two 380,000 deadweight ton super-tankers which cost over \$100m.

One of the ships is laid up and the other will shortly end to a loss-making charter. The two ships, the Ioannis and the Vasiliki, are classed as ultra large crude carriers.

"The bulk of the business of the 52-vessel fleet is said to be basically sound."

Bankers in London were suggesting that at this stage it would seem unlikely that they would incur losses on their loans. Much, of course, depends on what view is taken of the timing of a likely upturn in conditions in the tanker business.

One of the objects of the negotiations, it was suggested, was to ensure that the executives who know the company should continue to manage it, although no doubt the banks will arrange to monitor its affairs closely.

Such a large number of banks spread so widely internationally include the European-American Bank, Deutsche Schiffahrtsbank of Bremen and Grindlays Bank—would be extremely reluctant to become directly involved in managing a tanker business.

U.K. rate of inflation down to 14%-15%

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE RATE of U.K. inflation as measured by the wholesale output price index eased to 14.15 per cent in the closing months of 1975, compared with year-on-year increases of 25.26 per cent recorded earlier in the year.

The index, which records the average prices of goods leaving the factory gates, rose by 11 per cent in December. Half this increase was due to the earlier rise in oil prices.

Outside the food sector the wholesale indices in raw materials prices (because of the world recession) and the increasing impact of the £8 limit on wage increases.

In general the indices will be welcomed as bearing out the improved picture which has been evident for some months.

But on the input side they confirm that the days when material and fuel prices fell or stagnated during a recession are gone. During the 12 months December 1974 to December 1975 the materials index rose 15 per cent.

Other economic statistics out

continuing sharp upward pressure in food prices.

Last month there was some respite on the food price front with a rise of only 1 per cent, but it is generally considered that the upward pressures will continue to be strong.

The rate of inflation as measured by the wholesale output price index eased to 14.15 per cent in the closing months of 1975, compared with year-on-year increases of 25.26 per cent recorded earlier in the year.

The index, which records the average prices of goods leaving the factory gates, rose by 11 per cent in December. Half this increase was due to the earlier rise in oil prices.

Outside the food sector the wholesale indices in raw materials prices (because of the world recession) and the increasing impact of the £8 limit on wage increases.

In general the indices will be welcomed as bearing out the improved picture which has been evident for some months.

But on the input side they confirm that the days when material and fuel prices fell or stagnated during a recession are gone. During the 12 months December 1974 to December 1975 the materials index rose 15 per cent.

Other economic statistics out

Iceland threatens to leave Nato

By Jon H. Magnusson in Reykjavik and Robin Reeves in Brussels

THE DISPUTE over fishing rights between Iceland and the U.K. intensified yesterday when an Icelandic Government official warned that Iceland could leave Nato—and break off diplomatic relations with Britain—in the next few days.

Iceland's Ambassador to Nato, Mr. Tomas Tomasson, warned in Brussels that his country would reconsider its membership of the alliance if Royal Navy ships did not leave Icelandic waters soon—as a prior condition before opening any negotiations to end the cod war.

Further indication of growing tension came with yesterday's confirmation that Dr. Joseph Luns, Nato Secretary-General, would arrive in Reykjavik tomorrow.

In Reykjavik, Mr. Olafur Johannesson, Minister of Justice and Acting Minister of Foreign Affairs, said yesterday that everything that Iceland would break off diplomatic relations with the U.K. "in the next few days."

Iceland's Cabinet is waiting for a formal report on the latest incident last Friday between a British frigate and an Icelandic coastguard vessel before it decides.

The Nato Ambassador's thinly-veiled threat to withdraw from the alliance was delivered in a tough speech to the top political body of the alliance, called at the Icelandic Government's request. Mr. Tomasson told a Press conference later that "we will not accept for much longer being rammed by public vessels of the U.K., a member of the alliance."

After discussions lasting two hours, the council issued a statement appealing to both sides to exercise the utmost restraint in the dispute, which was "not only harmful to relations between two allied countries but also to the alliance as a whole."

It also expressed the hope that the role of mediation being taken up by Dr. Joseph Luns, Nato Secretary-General, which was confirmed here, would promote "the urgently-required solution."

A Nato spokesman said that Dr. Luns would be going to Reykjavik in the very near future and hopes thereafter to go to London.

The British Ambassador said that Iceland's threat to leave the Alliance "was seriously indeed."

Strictly speaking, Keflavik military base in Iceland is not a Nato facility but established under a bilateral agreement between the U.S. and Iceland. However, Mr. Tomasson made it clear that his Government regarded it as being there under Nato auspices.

Continued from Page 1

the share of that public expenditure to be allocated to Northern Ireland.

Earlier, Mr. Harold Wilson, the Prime Minister, spent out to the Commons some of the security decisions flowing from the decision to send the Spearhead Battalion and troops of the Special Air Service to South Armagh last week.

These moves—which were generally welcomed by the Conservative Opposition, although Mrs. Margaret Thatcher wondered whether there were enough extra troops in South Armagh—involved:

● Much more extensive use of personal identity checks.
 ● Power to question people within a mile of the border to be used more extensively.
 ● More house searches in the area.
 ● A new information system based on automatic processing to be introduced by the Army to handle existing records so that information about gunmen escaping to the other side of the border could be acted upon more quickly.
 ● More border roads could be closed if necessary.
 ● Measures for greater control over vehicle movement were being studied.

Rest follow Lloyds and cut base rates

BY MICHAEL BLANDIN

THE COST of bank loans was cut generally by 1 per cent, yesterday as the rest of the big clearing banks followed the example set by Lloyds, and reduced their base rate to 10 1/2 per cent. Lloyds reduced its rate a week ago, implying lending rates at the short end of the market were relatively firm.

Nevertheless, hopes of further reductions in the level of U.K. short-term interest rates remained high, with Treasury bills trading at levels which it maintained would spark off another cut in the Bank of England's minimum lending rate on Friday.

Following its exceptional strength last week the gilt-edged market remained firm, absorbing a good deal of profit-taking to end with gains of up to 1 1/2 after earlier falls of 1 1/2. The Financial Times Government Securities Index rose 0.33 to 63.15, again a new 1975-76 peak.

The helpful downtrend in rates in other countries continued with several more lead and U.S. banks bringing their prime rates down from 7 1/2 to 7 per cent. The Swiss National Bank cut its bank and lombard rates by 1 per cent, to 2 1/2 and 3 1/2 per cent, respectively for exchange rate reasons and to adjust to international movements.

Spydar Securities: new criticism

BY MARGARET REID

THE SINGAPORE Stock Exchange has made new criticisms of Spydar Securities, the private investment company from which senior executives of Haw Par Brothers International and Slater Walker Securities are alleged to have made £1m. profit in 1972-73.

The Exchange's latest statement claims that Haw Par suffered a substantial loss as a result of Spydar's dealings. Haw Par said that the Singapore Stock Exchange had called on it to explain three alleged breaches of its corporate disclosure policy involving the former Spydar company, which was wound up in 1973.

A circular to Haw Par shareholders said the Exchange had called on it to explain three alleged breaches of its corporate disclosure policy involving the former Spydar company, which was wound up in 1973.

The circular also quoted the Exchange as saying that dealings in shares of Kwan Long (Hong Kong) and King Fung shares, which resulted in a substantial loss to Haw Par in net tangible assets, were made in breach of its disclosure policy.

The £141m. loan owed to SWS from Haw Par was related to Haw Par's takeover of SWS's 46 per cent stake in SWS (HK) for £16m.

breach of its corporate disclosure policy and accordingly calls upon your company to explain these non-disclosures," the letter said.

Talks were recently held in Singapore between the present SWS chairman, Mr. Jimmy Goldsmith, and Haw Par. These negotiations are now continuing by telephone. In the discussions, Haw Par is strongly pressing that the £1m. profit made by the Spydar shareholders, including the former SWS chairman, Mr. Jim Slater, should be repaid.

The Exchange report on Spydar, published last month, alleged that it secretly generated profits of over £K500m (£1m.) in 1972 and 1973 for the personal benefit of six Haw Par and Slater Walker group senior directors, mainly at the expense of Haw Par subsidiary Grey Securities.

The bulk of the profits, it was said, came from dealings with Grey in the two Hong Kong companies in which SWS and Haw Par were also interested, King Fung Development and Kwan Loong (Hong Kong). The latter was afterwards renamed Slater Walker Securities (Hong Kong) and completely taken over by Haw Par in 1974.

The £141m. loan owed to SWS from Haw Par was related to Haw Par's takeover of SWS's 46 per cent stake in SWS (HK) for £16m.

The Rev. Ian Paisley said Unionists would attend the recalled Convention next month, but would block moves to re-open discussions on power-sharing.

However, Mr. Glenn Barr, a close supporter of Mr. William Craig, the Vanguard leader who advocates a voluntary coalition, welcomed the Government's new moves.

Mr. Barr, who is chairman of the co-ordinating committee of the Protestant para-military groups, said that he would be calling on his supporters to give their full backing to a renewed search for agreement.

Mr. John Hume, deputy leader of the mainly Catholic Social Democratic and Labour Party, said that he had doubts, after the Loyalist threats, that agreement might come about.

Weather

U.K. TO-DAY
 GENERALLY MILD. Dry, sunny intervals in Wales and all England except north-west. Cloudy, some rain, elsewhere. Max. 12C. Min. 5C.
London, E. Anglia, Midlands, S.E., Cent. S., Cent. N. and N.E.
 England, Channel Is.
 Dry, bright intervals. Wind W., fresh. Max. 11C (52F).
 Wales, S.W. and N.W. England
 Cloudy, mainly dry. Wind W., fresh. Max. 10C (50F).
Lakes, I. of Man, Borders, S.W. Scotland, N. Ireland
 Cloudy. Occasional rain. Wind W., strong or gale. Max. 10C (50F).

Edinburgh, Dundee, Aberdeen, Glasgow, Highlands, Moray Firth, Argyll, N.W. Scotland
 Cloudy. Rain at times. Wind W., strong or gale. Max. 9C (48F).

N.E. Scotland, Orkney, Shetland
 Cloudy. Rain at times. Snow on hills. Wind variable, moderate. Near normal temps. Max. 4C (39F).

Mostly cloudy. Snow at times. Wind light variable, becoming E., moderate. Rather cold. Max. 3C (37F).

Outlook: Rain in places at first. Becoming brighter from W. Near normal temperatures.

Lighting-up: London 16.46, Manchester 16.46, Glasgow 16.41, Belfast 16.55.

Snow Reports, Page 9

HOLIDAY RESORTS

Y'day	mid-day	Y'day	mid-day
Alexandria	17 45	Madrid	15 37
Amsterdam	18 30	Manchester	11 22
Athens	18 30	Melbourne	18 22
Bahia	18 30	Moscow	18 22
Barcelona	18 30	Munich	18 22
Bombay	18 30	Nairobi	18 22
Buenos Aires	18 30	Paris	18 22
Calcutta	18 30	Rome	18 22
Canton	18 30	Singapore	18 22
Cebu	18 30	Tokyo	18 22
Colon	18 30	Yokohama	18 22
Hankow	18 30		
Hong Kong	18 30		
Kobe	18 30		
London	18 30		
Lyons	18 30		
Manila	18 30		
Medan	18 30		
Shanghai	18 30		
Singapore	18 30		
Tientsin	18 30		
Yokohama	18 30		